

# SOVIET UNION REVIEW

## Fifteen Cents

**January, 1927**

**Vol. V. No. 1**

# Leonid Borisovich Krassin

# Industrial Development of the Soviet Union

# Mineral Resources of the Soviet Union

## Foreign Trade of the Soviet Union in 1925-26

# New Code of Marriage and Family Laws

# Foreign Relations of the Soviet Union

## TABLE OF CONTENTS

	Page		Page
Leonid B. Krassin.....	3	Foreign Trade in October.....	17
Economic Reconstruction of the U. S. S. R.:		Soviet Industrial Imports.....	18
Agriculture .....	4	Activities of All-Russian Textile Syndicate .....	18
Industry .....	4	Oil Exports for 1925-26.....	19
Transport .....	5	New Code of Marriage and Family Laws.....	20
Foreign Trade During Last Four Years.....	5	Foreign Relations of the Soviet Union:	
Major Industrial Construction in 1925-26 and 1926-27 .....	6	Exchange of Notes with Poland.....	20
New Mills and Factories.....	7	Soviet Relations with Turkey.....	21
Growth of Soviet Industries:		Soviet Flag on Herald Island.....	22
Total Output of Soviet Industries.....	8	Diplomatic Nominations.....	22
Output of Principal Industries.....	9	Publications Received.....	22
Number of Workers in 1925-26 and 1926-27 .....	9	Miscellaneous News	
Soviet Oil Industry in 1925-26.....	9	International Tractor Tests in U. S. S. R.....	23
Development of Textile Industry.....	10	Soviet Pulpwood and the United States.....	23
Soviet Mineral Resources.....	11	Manganese Production in the U. S. S. R.....	23
Map of Asiatic Part of U. S. S. R.....	12	Revision of Customs Tariff.....	23
Map of European Part of U. S. S. R.....	15	Financial Statement of Issue Department of State Bank.....	24
Coal Resources of the Soviet Union.....	16	Currency Circulation.....	24
Soviet Foreign Trade:		Tax Returns for 1925-26.....	24
Total Turnover for 1925-26.....	17		

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LEONID B. KRASSIN

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## Leonid Borisovich Krassin

WITH the death of Leonid Borisovich Krassin the peoples of the Soviet Union have lost one of the great builders of their country. The name of Krassin is inseparably connected with the entire work of economic reconstruction, with the most important and fundamental problems of the country's economic life.

He was abreast of the present state of scientific research, thoroughly familiar with the technical mechanism of a highly developed industrial system, and at the same time a prominent representative of the struggling masses of a country just emerging from primitive forms of life. He was persecuted by the Tsarist police as one of the oldest and most eminent members of a revolutionary party, and at the same time solicited as administrative and technical head by the most powerful industrial concerns as one of the greatest electrical engineers of the twentieth century.

The name of Krassin is intimately bound up with the establishment of normal relations between his revolutionary country and the outside world. His contribution to the breaking up of the blockade surrounding the Soviet Republic was enormous. He was the first diplomat charged with conducting peace negotiations with the hostile countries at the end of the civil war.

Leonid Krassin was born in 1870 in Kurgan, Tobolsk Province, Western Siberia, of a family of intellectuals. Registered at the Technological Institute of Petersburg, he joined the revolutionary movement against the Tsarist system, and since 1890 until 1907 his life was devoted entirely to revolutionary activities, interrupted by various terms of imprisonment and exile. In 1907 he was forced to leave the country, and settled in Berlin. During his sojourn in that city he improved his technical knowledge and obtained a prominent technical administrative position with one of the largest electrical concerns of the world.

His activities since the November Revolution

of 1917 are summed up in the few paragraphs which George Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, devoted to the memory of his friend upon receiving the news of his death:

"After the November Revolution Krassin worked first in Berlin where he assisted Ioffe, our first diplomatic representative, in his dealings with the German Government.

"During the civil war he was placed at the head of the entire army supply, and in the fall of 1919 he took up matters of international politics.

"In the beginning of 1920 he went to England in behalf of our cooperatives for the purpose of starting trade relations with that country, and he remained in London as our unofficial diplomatic representative.

"For long periods he was absent from London, as he was busy in Moscow in connection with his activities as People's Commissar for Foreign Trade, but he succeeded in forming many connections in England and in winning the sympathies of great sections of the population, which greatly helped him in the conclusion of the Trade Agreement with England of March 16, 1921. After that he remained in England as the head of the Trade Delegation.

"After the recognition of the Soviet Union by France, he was our first diplomatic representative in Paris. When the condition of his health seemed improved, he returned to his original activities in London, but the inexorable illness again began to make rapid strides and came to a fatal conclusion.

"All the time he enjoyed the greatest prestige in British political spheres; he was best adapted for the improvement of our relations with England concerning which our Government is so anxious. Without him it will be harder to carry out this fundamental task of present day political actuality.

"His open and sympathetic character, his broad political mind, and his brilliant many-sided erudition won him the friendship of all those who knew him."

# Economic Reconstruction of the U. S. S. R.

THE past fiscal year, which ended on September 30, 1926, marks the conclusion of an entire period in the economic development of the Soviet Union. It was the period of rebuilding after the destruction caused by the World War and the civil struggles.

The rebuilding process has not been completed as yet in all fields of national economy, and in this respect foreign trade remains behind all the other branches. But the basic branches of national economy—agriculture and industry—have practically regained their former strength. The data cited below, showing the development of the chief branches of national economy for the last five years, furnish a short outline of this rebuilding process.

## Agriculture

The changes in the sown area, one of the chief indices of agricultural development, are expressed by the figures given in the following table:

	<i>Annual increase of sown area as compared with previous year</i>	<i>Percentage relation of sown area to that of 1916</i>
1924 .....	9.2	88.6
1925 .....	7.7	95.3
1926 .....	7.0	101.9

The total sown area of 1926, which exceeds that of 1916 almost by 2 per cent, is closely approaching the pre-war area. The largest increase of sowings in 1926, as compared to 1925, took place in the case of the principal grain crops (8.1 per cent). On the other hand, some technical crops (particularly sunflower) show a decrease.

In the entire territory of the Soviet Union a marked reduction can be noticed only in the sunflower sowings which were 16.3 per cent lower than last year. However, the flax sowings too, notwithstanding a certain increase on the territory of the Soviet Union as a whole, show a reduction in some of the principal flax growing regions, such as the so-called Central Industrial Region, comprising the Central Russian provinces (Moscow, Tver, Yaroslavl, Kostroma, Ivanovo-Voznesensk, Vladimir, Nizhni-Novgorod, Ryazan, Tula and Kaluga). Other technical crops, such as sugar beets and cotton, show an increase as compared with the previous year; the increase is,

however, considerably smaller than during the preceding years, the former showing an increase of 3.3 per cent and the latter of 5.2 per cent.

Such a change in the sown area between 1925 and 1926 is indicative of an opposite trend to that which was observed from 1922 to 1925, when the area under technical crops was growing much quicker than that under grain crops.

As a result of these changes in the sown area, the proportion of the area under grain crops increased from 82.9 per cent of the total sown area in 1925, to 83.8 per cent of the total sown area in 1926. The proportionate share of sunflower in the total sowings has decreased considerably—from 3.1 per cent to 2.4 per cent; flax sowings have also decreased—from 1.6 to 1.5 per cent of the total sowings. Due to the insignificant increase in the sowings of the technical crops and to a certain decrease of some of them, it is assumed that the 1926 yield available for the market was reduced, especially considering the fact that unfavorable meteorological conditions have particularly affected cotton and sugar beets.

The number of livestock, as well as the extent of the sown area were affected by the unfavorable price situation. While livestock breeding as a whole increased, some of its profitable branches, such as raising of milch cows and hog breeding show a certain reduction.

In the consuming region (those parts of the Soviet Union, particularly the northern provinces, which do not produce enough grain for their own requirements) where livestock breeding is being conducted on a commercial basis, the number of cows was reduced almost by 2 per cent, and that of hogs by 16 per cent.

## Industry

With regard to industry, the past fiscal year 1925-26 can be considered as marking the conclusion of the "rebuilding process," although the output of that year, according to approximate estimates of experts, reached not more than 90 per cent of the pre-war level, and industry still has at its disposal some plants and equipment not used to their full capacity. The development of industry for the last five years is shown by the indices in the table below. (The index for 1921-22 is fixed at 100. The calculation for 1925-26 is preliminary.)

	<i>Relation to fiscal year 1921-22</i>				<i>Relation to preceding year</i>		
	1922-23	1923-24	1924-25	1925-26	1923-24	1924-25	1925-26
Index of volume of industrial output .....	168.5	220.3	355.1	500.2	130.7	161.2	140.9
Index of labor force employed .....	125.6	141.6	168.4	212.5	112.7	118.9	126.2
Index of productivity of labor .....	126.9	146.4	207.0	231.6	115.4	141.4	111.9

These data show that the general level of industry, as expressed by its output, has increased five-fold as compared with the first year of the "rebuilding process," while the labor force employed in industry was doubled, and the productivity of labor increased 132 per cent. Thus in the growth of industry the more rational utilization of the labor force played a greater part than the increase in the number of workers. The rapid growth of productivity of labor resulted on the one hand in a considerable reduction of the production cost of manufactured articles, and, on the other hand, in an increase in the real wages of over 300 per cent. The latter grew as follows in comparison with pre-war wages which are set at 100: 32.9 per cent in 1921-22, 49.2 per cent in 1922-23, 67.1 per cent in 1923-24, 82.6 per cent in 1924-25, and 91.6 per cent in 1925-26, according to data for the first nine months of that year (October, 1925, to July, 1926).

The past fiscal year, 1925-26, differs from the preceding years in that simultaneously with the utilization of the factories and the equipment that were still kept in reserve during the rebuilding process, a considerable part of the resources ap-

propriated for the industries in 1925-26 was directed towards the construction and equipment of new establishments. According to preliminary data of the Supreme Council of National Economy, the total annual expenditures for this work amounted to 778,000,000 rubles (\$400,000,000). There is no doubt that 1925-26 was the first year in which capital expenditures for new construction exceeded not only the annual wear and tear (this was the case even in 1924-25) but also the aggregate depreciation of the Soviet industries for all the years of their existence. In this connection the Supreme Economic Council has calculated that since the operation of Soviet industries, their productive equipment has for the first time been increased (by 9 per cent) due to new constructions and major repairs. According to all indications, 1926-27 will be the final year during which the last reserves of the rebuilding process will be utilized, and consequently the tendency towards new industrial constructions will become more pronounced.

The output of the various branches of industry during the last five years, as compared with the pre-war output, is shown in the table below:

*Output of the Principal Branches of Industry*

	1913	1921-22	1922-23	1923-24	1924-25	1925-26
Gross output of coal in thousands of metric tons.....	28,777	9,631	11,681	16,058	16,083.5	24,389
Gross output of oil in thousands of metric tons.....	9,216	4,522.5	5,275	6,070	6,960.6	8,205
Smelting of cast iron, in thousands of metric tons.....	4,207	173.6	300	653	1,292	2,203
Martin steel, in thousands of metric tons.....	4,247	316.1	590	991	1,868	2,891
Rolled iron, in thousands of metric tons.....	3,509	250.6	457	688	1,390	2,157
Output of Portland cement in thousands of metric tons.....	1,118.7	no data	180.8	354.1	716.4	1,285
Cotton fabrics, in millions of meters.....	.....	303	559.6	832.2	1,499	2,018
Woolen fabrics, in millions of meters.....	.....	22.9	21.9	28.9	47.3	64.4
Linen fabrics, in millions of meters.....	.....	38.2	77.1	106.1	134.1	168.4

These data show that in the course of the last few years the most intensive growth took place in the output of metals and building materials, that is, in industries which have reestablished their producing strength to a lesser degree than the other branches.

### Freight Turnover

According to the data of the People's Commissariat for Transports the development of freight transport in the course of the last five years is presented by the following table:

	Average daily freight car loadings	Percentage relation to 1921-22 which is set at 100	Percentage relation to preceding year
1921-22.....	9,590	100	.....
1922-23.....	11,722	122	122
1923-24.....	13,517	141	115
1924-25.....	17,398	181	129
1925-26.....	24,007	250	138

Thus, growing from year to year, the daily average number of loaded cars increased 150 per

cent in the course of five years. Grain shipments increased 200 per cent, coal 340 per cent, oil 140 per cent, and firewood 30 per cent.

The table below shows the ratio of the various groups of goods to the total railroad freight turnover:

Grain.....	8.8	10.7	10.9	11.1
Coal.....	10.8	14.4	12.8	14.8
Oil Products.....	5.2	5.2	6.0	4.9
Firewood.....	21.2	15.1	10.3	10.0
Other freight.....	54.0	54.6	60.0	59.2

### Foreign Trade of the Soviet Union

The development of Soviet foreign trade in the course of the last four years is shown by the following figures giving the exports, imports, and the total foreign trade turnover from October 1, 1922, to September 30, 1926 (in gold rubles):

Fiscal Year	Exports	Imports	Total Turnover
1922-23.....	210,000,000	187,000,000	397,000,000
1923-24.....	522,000,000	439,000,000	961,000,000
1924-25.....	567,000,000	720,000,000	1,287,000,000
1925-26.....	668,000,000	756,000,000	1,424,000,000

## Major Industrial Construction in 1925-26 and 1926-27

THE annual fiscal period extending from October 1, 1925, to September 30, 1926, was the first year of extensive major industrial construction in the Soviet Union. The entire program of major construction in Soviet industry for the fiscal year 1924-25 amounted to 380,000,000 rubles (\$196,000,000), while the program total for the fiscal year 1925-26 rose at a single bound to 820,000,000 rubles (\$422,000,000), i. e., it was increased to more than double. Furthermore, the industrial building program for 1925-26 also included new factory construction, something which had been almost altogether absent from the plans for the preceding fiscal year 1924-25.

Construction work aggregating 778,000,000 rubles (\$400,000,000) was actually completed out of the fixed quota of 820,000,000 rubles (\$422,000,000). Making allowance for the fact that this program total included German credits in the sum of 74,000,000 gold rubles, which in reality were not received during 1925-26, it becomes evident that during the course of the fiscal year Soviet industry effected supplementary major construction expenditures not provided for in the projected building plans.

The following figures show the accomplishments for the fiscal year 1925-26 according to the various categories of industrial construction work. Work done on existing factories in connection with their reequipment or repair amounted to 587,000,000 rubles (\$302,000,000) or 90 per cent

of the program quota. In the case of industrial housing construction the accomplishments aggregated 99,800,000 rubles (\$51,400,000), equivalent to 110 per cent of the set quota. The execution of building operations on new factories, on the contrary, constituted only 70 per cent of the program quota and amounted to 91,000,000 rubles (\$46,900,000) instead of 129,000,000 rubles (\$66,400,000). The deficiency in program accomplishment in the category of new factory construction, was due to the failure to receive foreign equipment on time.

The individual branches of industry carried out their major construction programs to the following extent: metal industry—92 per cent of quota; coal industry—91 per cent; petroleum industry—90 per cent; timber industry—102 per cent; leather industry—120 per cent; glass and porcelain industry—105 per cent, etc.

The construction program for the building materials industry was accomplished only to the extent of 65 per cent, this being likewise due mainly to the failure to receive the necessary equipment from abroad.

The major construction work to be done in Soviet industry during the current fiscal year 1926-27 (October 1, 1926, to September 30, 1927) is placed at the sum of 900,000,000 rubles (\$463,000,000), of which 870,000,000 rubles (\$448,000,000) are allotted to various industrial branches and to special construction, while 30,000,000 rubles (\$15,450,000) are set apart as a reserve.

As compared with 1925-26, this work may be subdivided according to its nature into the following classes:

	Fiscal Year 1925-26		Fiscal Year 1926-27	
	Rubles	Percentage of Total	Rubles	Percentage of Total
Major Repairs .....	144,000,000	18.6	136,300,000	15.6
Reequipment and Extension.....	442,900,000	56.7	488,700,000	56.2
New Factories, Plants and Shafts.....	91,300,000	11.8	147,400,000	17.0
Housing Construction in connection with Existing Factories.....	92,600,000	11.9	80,600,000	9.2
Housing Construction in connection with New Factories.....	7,200,000	1.0	17,000,000	2.0
	778,000,000	100.0	870,000,000	100.0
	(\$400,670,000)		(\$448,000,000)	

The largest amounts are to be expended on major construction work in 1926-27 for the metal industries (227,900,000 rubles or \$117,370,000), for coal mining (116,000,000 rubles or \$59,740,000) and for the oil industry (132,000,000 rubles or \$68,000,000).

Expenditures for major construction in the Soviet textile industry during the fiscal year 1926-27 will aggregate 106,200,000 rubles (\$54,700,000) of which 78,200,000 rubles (\$40,270,000) will go to the cotton division, 10,300,000 rubles (\$5,300,000) to the woolen division, 10,-

000,000 rubles (\$5,150,000) to the linen division, etc.

Major construction disbursements in the chemical industry will amount to 49,600,000 rubles (\$25,500,000) for the fiscal period. Among the various branches of the chemical industry the largest construction expenditures are designated for the heavy chemicals division (26,700,000 rubles or \$13,750,000), the rubber division (5,200,000 rubles or \$2,680,000), coke and benzol division (4,600,000 rubles or \$2,370,000), etc. The projected major construction expenditures of the

chemical industry are distributed as follows among the different Republics in the Soviet Union: Trusts of federal scope—25,300,000 rubles (\$13,000,000), R. S. F. S. R. (i.e., Soviet Russia proper and various outlying territories administratively connected with it)—10,300,000 rubles (\$5,300,000), the Ukraine—12,500,000 rubles (\$6,440,000), Transcaucasian Federation of Socialist Soviet Republics—400,000 rubles (\$206,000), etc.

The program of major construction in the timber industry is set at 23,700,000 rubles or \$12,205,000 (about 10,000,000 rubles for trusts of federal scope, 10,300,000 rubles or \$5,300,000 for the R. S. F. S. R., 900,000 rubles or \$463,000 for the Ukraine, etc.). The major construction expenditures in the paper industry will constitute 31,300,000 rubles or \$16,130,000, (15,700,000 rubles for trusts of federal scope, 13,600,000 rubles for the R. S. F. S. R., 1,300,000 rubles for the Ukraine, and 700,000 rubles for the White Russian Socialist Soviet Republic). In the building materials industry the disbursements for major construction will total 27,000,000 rubles (\$13,900,000), of which 17,400,000 rubles (\$8,960,000) are to go to the R. S. F. S. R., 8,800,000 rubles (\$4,530,000) to the Ukraine, etc. In the mining industry (exclusive of the coal, petroleum and southern ore industry) the major construction expenditures are placed at 21,400,000 rubles (\$11,020,000), of which 11,400,000 rubles (\$5,870,000) are destined for trusts of federal scope, 8,100,000 rubles (\$4,170,000) for the R. S. F. S. R. etc. It is planned to spend 11,500,000 rubles (\$5,900,000) on major construction in the southern ore industry.

Among the other industrial branches the largest disbursements for major construction are projected in the case of the foodstuffs group—46,600,000 rubles (\$24,000,000), this total including 16,800,000 rubles (\$8,650,000) for the sugar division, 6,700,000 rubles for the fish division (\$3,450,000), 6,700,000 rubles (\$3,450,000) for the distilling division, 3,500,000 rubles (\$1,800,000) for the tobacco division, etc. The expenditures for major construction in the food industry are distributed as follows among the individual Republics: 19,200,000 rubles (\$9,800,000) are set apart for trusts of federal scope, 19,700,000 rubles (\$10,145,000) for the R. S. F. S. R., 3,700,000 rubles (\$19,000,000) for the Ukrainian Socialist Soviet Republic, etc.

The major construction expenditures in the leather industry are placed at a total of 8,900,000 rubles (\$4,580,000), those of the glass and porcelain industry at 12,700,000 rubles (\$6,540,000), those of the printing and allied industries at 2,300,000 rubles (\$1,180,000), and so forth.

In the aggregate, out of the entire amount (approximately 864,000,000 rubles or \$450,000,000) subject to distribution among the various branches of industry for major construction 660,700,000 rubles (\$340,000,000) will go to industrial enterprises of federal scope, 129,300,000 rubles (\$66,590,000) to industry in the R. S. F. S. R., 49,200,000 rubles (\$25,300,000) to industry in the Ukrainian S. S. R., 5,900,000 rubles (\$3,040,000) for the White Russian S. S. R., 9,300,000 rubles (\$4,790,000) for the Transcaucasian Soviet Federation, and 9,600,000 rubles (\$4,940,000) for the Central Asiatic Soviet Republics.

## New Mills and Factories

ACCORDING to preliminary data 172 new factories and mills and 196 mine shafts have already been constructed or designated for construction in the Soviet Union.

Of the 172 new factories and mills 81 have already been completed and are in operation or will go into operation during the early months of the current fiscal year 1926-27. The equipment of 12 mills has been started. The remaining 79 factories and mills will be finished within the next year or two.

The most extensive construction work is going on in the metal industry. During the present fiscal year building operations will be commenced on three metallurgical plants (in the Krivoy Rog or Zaporozhye region in the Ukraine, in the Southern Ural, and at the Telbess Mines, in Southwestern Siberia, which will turn out 1,640,000 metric tons of cast iron and about 1,000,000 metric tons of rolled iron annually with a labor force of 30,000 workers. The cost of constructing these plants will be 182,500,000 rubles (\$94,000,000). At Stalingrad (formerly Tsaritsyn) the foundation has already been laid for a tractor factory with a yearly capacity of 10,000 tractors, the cost of this plant being estimated at 16,000,000 rubles (\$8,240,000). In addition to the new plow factory already in operation at Chelyabinsk in the Ural region, work has been started on the erection of four agricultural machinery plants, the cost of which will exceed 25,000,000 rubles (about \$13,000,000). In the non-ferrous metallurgical industry three copper and zinc smelting plants are being built at a total cost of 36,000,000 rubles (over \$18,500,000).

In the Donets coal basin 76 new shafts are already in operation with individual producing capacities of from 16,500 to 82,000 metric tons of coal a year. During the current fiscal year 1926-27 the exploitation of 97 additional new shafts

of medium and small capacity will begin. Extensive construction work is proceeding on 19 shafts, which within five years will be turning

out 6,500,000 metric tons of coal annually (11 of these shafts were begun before the war, while 8 were started during the fiscal year 1925-26).

### *Distribution of New Enterprises According to Industries*

<i>Branch of Industry</i>	<i>Total Number of Enterprises</i>	<i>Completed and started operation not later than Jan. 1, 1927</i>	<i>In the Process of Construction</i>	<i>Construction Just Started</i>
Metal and Electrical Industries.....	19	2	10	7
Coal .....	192	76	19 large & 97 small shafts	—
Oil .....	21	12	9	—
Textile .....	17	5	9	3
Chemical .....	17	11	6	—
Leather .....	12	10	1	1
Glass and Silicates (Cement, etc.).....	16	8	8	—
Timber .....	25	8	17	—
Paper .....	4	—	3	1
Foodstuffs .....	16	7	9	—
Other branches .....	25	18	7	—
	172 factories and plants and 192 shafts	81 factories and plants and 76 shafts	79 factories and plants, 97 small and 19 large shafts	12

Twelve petroleum product refining plants have already been built. Nine plants as well as spur roads and an aqueduct to supply the petroleum refining plants with water are being completed.

Of the 17 spinning, weaving and silk-reeling mills projected in the textile industry, five are already in operation, nine are being finished, and the erection of the other three has been started. It is worthy of note that five of these mills will be put up in the Central Asiatic and Transcaucasian Republics, thus assisting in the industrialization of these outlying territories.

Finally, mention should be made of the increase of industrial construction connected with the preparation of agricultural products. Sixteen new oilpressing, canning and starch and glucose factories, together with up to 25 sawmills and wood chemical product factories have been built or are approaching completion. In White Russia a distilling plant is being finished. These factories will help to industrialize agriculture. Under this heading must also be placed the 17 cotton ginning mills (in Central Asia and the Caucasus), of which 11 have already been erected, while the remaining six are being completed.

*The Index to the fourth volume of the "Russian Review" has just been published. On request it will be sent free to all readers of the Review.*

### **Growth of Soviet Industries**

THE following figures show the value of the output of the entire industry of the U. S. S. R., including the output of the small industries, for the last two fiscal years, as well as the expected output for the present fiscal year, beginning October 1, 1926:

#### *Total Output of Soviet Industries*

	<i>Rubles</i>	<i>Dollars</i>
1924-25	8,455,000,000	\$4,354,000,000
1925-26	11,980,000,000	\$6,169,700,000
1926-27	13,602,000,000	\$7,005,000,000

The growth of the gross output of the Soviet industries, according to the various categories, such as large scale ("census"), and small industries, and the subdivisions of the former, viz: State, cooperative and private industries, is presented in the table below (millions of rubles):

#### *Gross Output According to Categories*

	<i>1924-25</i>	<i>1925-26</i>	<i>1926-27</i>
A.—Large Scale .....	6,736	10,005	11,429
1.—State .....	6,087	8,926	10,234
2.—Cooperative .....	374	630	695
3.—Private .....	275	449	500
B.—Small Industries .....	1,719	1,975	2,173
All Industries .....	8,455 (\$4,354)	11,980 (\$6,169)	13,602 (\$7,005)

#### *Value of Output in Percentages*

	<i>1924-25</i>	<i>1925-26</i>	<i>1926-27</i>
A.—Large Scale .....	79.6	83.5	84
1.—State .....	72	74.5	75.2
2.—Cooperative .....	4.4	5.2	5.1
3.—Private .....	3.2	3.8	3.7
B.—Small Industries .....	20.4	16.5	16
	100	100	100

### Output of the Principal Industries

The output of the principal industries of the Soviet Union for the fiscal year 1925-26 (beginning October 1, 1925), as compared with that of the preceding fiscal year, was as follows:

Industry	1925-26	1924-25	Percentage of Increase
<b>Fuel:</b>			
Oil (metric tons) .....	8,205,000	6,960,600	17.89
Coal (metric tons) .....	24,389,000	16,083,500	51.64
<b>Metal:</b>			
Cast Iron (metric tons) .....	2,202,857	1,291,511	70.56
Martin Steel (metric tons) .....	2,890,812	1,868,342	54.73
Rolled Iron (metric tons) .....	2,156,932	1,390,203	55.15
<b>Textile:</b>			
Cotton Goods (meters) .....	2,018,157,000	1,499,020,000	34.63
Woolen Goods (meters) .....	64,437,000	49,287,000	30.74
Linen Goods (meters) .....	168,414,000	134,076,000	25.61
<b>Tobacco:</b>			
Tobacco & cigarettes in millions of smoking units .....	35,281.1	25,749.2	37.21
<b>Paper</b> (metric tons) .....	252,262	213,194	18.32
<b>Rubber Shoes</b> (pairs) .....	25,301,000	15,730,800	60.84
<b>Matches</b> (cases) .....	3,924,200	3,162,100	24.1
<b>Household soap</b> (metric tons) .....	98,606	74,960	31.54
<b>Cement</b> (metric tons) .....	1,285,037	716,468	79.08
<b>Glass and Glassware</b> (metric tons) .....	235,867	174,563	35.12
<b>China, Porcelain</b> (metric tons) .....	35,336	27,937	26.48

### Number of Workers in 1925-26 and 1926-27

In the course of the past fiscal year 1925-26 which began October 1, 1926, the number of workers employed in all the branches of the national economy of the U. S. S. R. increased by 1,552,000, as compared with the preceding year. It is expected that the increase of the labor force for 1926-27 will amount to 508,000. While the ratio of the increase for 1925-26 as compared with the preceding year was 18.8 per cent, the corresponding increase in 1926-27 will be 5 per cent.

The increase of the labor force in the various branches of national economy, such as large scale industry, commerce, construction and building, railway transport, water and local transport, is shown in the following table (in percentages):

	Relation of 1925-26 to 1924-25	Relation of 1926-27 to 1925-26
Large scale industry .....	+27.9	+ 6.3
Commerce .....	+31.0	+10.0
Construction and Building .....	+74.6	+14.5
Railway Transport .....	+12.5	+ 1.0
Water and Local Transport .....	+11.1	+ 2.3

The ratio of increase in the number of laborers, domestic servants, educational workers, health workers, etc., is also considerably smaller than last year.

### The Soviet Oil Industry in 1925-26

ACCORDING to preliminary data for the past fiscal year, published by the Council of the Oil Industry, the gross output of oil has reached 8,142,000\* metric tons in the three principal oil regions, viz.: the Baku, the Grozny and the Emba fields. This is an increase of 17.9 per cent over the preceding fiscal year 1924-25. The output was distributed as follows according to the three regions in question:

#### Output of Oil in Metric Tons

Regions	1924-25	1925-26
Baku .....	4,737,000	5,513,000
Grozny .....	2,025,000	2,411,000
Emba .....	195,000	218,000
<b>Total</b> .....	<b>6,957,000</b>	<b>8,142,000</b>

Thus the increase of the gross output falls mainly to the share of Baku; the percentage of increase is, however, much larger in the Grozny fields, due chiefly to the gusher output.

Compared with the program figures for 1925-26, the aggregate output of the three oil fields shows an excess of 2.2 per cent. The percentage of the execution of the program according to the three main oil trusts is shown by the following figures: The Azerbaijan Oil Trust ("Azneft") operating the Baku oil fields, 99.5 per cent; the Grozny Oil Trust ("Grozneft") operating the Grozny oil fields in the North Caucasian Region, 104.5 per cent, and the Emba Oil Trust ("Embaneft") operating the Emba oil fields in the southern Ural region northeast of the Caspian Sea, 82.9 per cent.

As compared with the pre-war figures, the output of the past fiscal year amounts to 96.6 per cent, with 77 per cent for "Azneft"; 200 per cent for "Grozneft", and 184 per cent for "Embaneft."

The gusher output shows a considerable increase. It constituted 15.3 per cent of the output of the Baku fields, and 64 per cent of that of the Grozny fields. The output by mechanical methods remained considerably behind the program figures.

For the needs of the oil industry 878,500 metric

\* The total annual figure for the U. S. S. R., including the Kuban-Black Sea Region (as well as the output of gas) was 8,420,900 metric tons. This figure does not, however, include the Central Asiatic fields.

tons of oil were consumed. As compared with 1924-25 this represents a reduction by 6.2 per cent, an indication that the industry is being operated on a more economical basis.

New drillings for the three oil fields during the past year amounted to 282,500 meters, as against 181,800 meters for the preceding year. They increased most of all in Baku—from 121,800 to 202,000 meters; next comes the Grozny field showing an increase from 57,000 to 75,000 meters, and the Emba field, with an increase from 3,000 to 3,500 meters. The figures of the annual drilling plan were surpassed by "Azneft" with 33 per cent above the program, while "Grozneft" executed only 98.7 per cent of the program.

The production of the oil refining plants increased 20.3 per cent—from 5,470,000 metric tons in 1924-25 to 6,580,000 metric tons in 1925-26. The largest portion falls to the share of Baku—3,740,000 metric tons in 1924-25, and 4,510,000 metric tons in 1925-26. In the Grozny field the refining plants produced 1,940,000 metric tons in 1925-26 as against 1,620,000 metric tons in 1924-25; and the Emba output was 130,000 tons in 1925-26, as against 110,000 tons in 1924-25.

#### A Commission of the "Grozneft" Oil Trust in U. S.

A commission of five executives and engineers representing the Soviet oil trust "Grozneft", of the northern and middle Caucasus, completed a four-months' tour of the oil fields of the United States early in November. They made a first hand study of methods of development in Pennsylvania, Wyoming, California, Texas and Oklahoma. The commission visited various refineries and plants where American oil machinery is manufactured.

The members of the commission were: Mr. S. M. Ganshin, vice president of "Grozneft"; Mr. N. I. Rodnensky, technical director; Mr. H. N. Ackerman, director of refineries; Mr. E. K. Wallen, the English representative, and Mr. S. A. Vishetravsky, petroleum engineer. Before sailing from New York Mr. Ganshin stated that he and his associates would report that American machinery was best adapted for the development of the Grozny fields. The Commissioners left with the Amtorg Trading Corporation of New York tentative orders for machinery worth about \$1,000,000, provided that adequate credit facilities could be secured. The placing of large orders in this country would be retarded, he declared, only by a disinclination of American manufacturers to do business in the fashion of the long-term credit system offered by European manufacturers. It was pointed out that during the past four months the Soviet oil industry purchased machinery to the value of 16,800,000 marks in Germany on credit terms ranging from two to four years.

The yield of oil in the Grozny fields has increased rapidly of recent years and has now reached the high mark of 17,000,000 barrels a year. This is considerably larger than the pre-war output. The fields contain 35,000 acres of rich oil bearing land still undeveloped. The mechanical condition of the fields has greatly improved during the past few years, but there is still a great need for modern equipment.

"Through the courtesy of American oil men and manufacturers," said Mr. Ganshin, "we were enabled to get a close technical view of American methods, and we collected much valuable technical material for the development of our industry. We are extremely grateful for the courtesies shown us everywhere."

### Development of Textile Industry

THE growth of the textile industry in the course of the last five years is indicated by the figures below, showing the number of spindles and looms, for the fiscal year 1921-22, and the corresponding number during the past fiscal year:

#### *Increase of Number of Spindles and Looms*

	<i>Number of Spindles</i>	<i>Number of Looms</i>
Cotton Industry		
1921-22.....	2,000,800	61,500
1925-26.....	10,720,000	268,000
Woolen Industry		
1921-22.....	161,700	5,400
1925-26.....	466,000	12,900
Linen Industry		
1921-22.....	176,200	4,700
1925-26.....	490,000	15,900

The total number of spindles in 1925-26 was 11,676,000 as against 2,338,700 in 1921-22, while the total number of looms in 1925-26 was 296,800 as against 71,600 in 1921-22.

#### Prospects of Soviet Textile Industry

The situation of the Soviet textile industry was presented in the following statement made recently by Mr. Ilya Y. Yonov, vice-president and director of the All-Russian Textile Syndicate, of New York. Mr. Yonov has just become general manager, succeeding Mr. Alexander Gumberg, who is retiring after serving three years in that capacity.

"During the past fiscal year," Mr. Yonov declared, "the cotton textile industry of the Soviet Union increased its output over 30 per cent, the woolen industry by about 25 per cent, the linen industry by about 25 per cent. The monthly output now exceeds that of 1913 and a steady advance is predicted. During the present fiscal year 1,200,000 spindles are to be added to the Soviet

cotton industry. It is planned to expend \$58,000,000 for equipment during the year on expansion of the textile industry generally.

"The number of workers employed in the Soviet textile industry is now 464,000. During the present year the value of the entire output in the cotton textile industry, at factory prices, will be about \$718,400,000, yielding a net profit of \$67,000,000. In the woolen industry the output will be \$122,600,000 with a profit of \$23,200,000. In the linen industry the output will be \$90,100,000, with a profit of \$11,300,000."

### Soviet Industries in October

THE total output of the large scale State industries of the U. S. S. R. for October, 1926, shows a very slight increase (about 1 per cent) over that of September, 1926, and an increase of 23 per cent over the output of October, 1925. The output of coal increased from 2,191,000 metric tons in September, 1926, to 2,496,000 metric tons in October, 1926. The output of oil increased from 747,000 metric tons in September to 793,800 metric tons in October, an increase of 6.2 per cent over the preceding month, and of 23 per cent over October, 1925. The output of cast iron was 232,000 metric tons, an increase of 8 per cent over the preceding month, and of 46 per cent over the output of October, 1925. The output of Martin steel was 289,400 metric tons, an increase of 3.7 per cent over the preceding month, and of 28 per cent over the output of October, 1925. The output of rolled iron was 224,200 metric tons, an increase of 3.6 over the preceding month, and of 34 per cent over the output of October, 1925. The output of finished cotton goods was 204,000,000 meters, a decrease of 2 per cent as compared with the output of the preceding month, and an increase of 30 per cent over the corresponding output for October, 1925. The output of woolen goods shows a decrease of 7.9 per cent, and of linen goods a decrease of 0.1 per cent, as compared with the preceding month. The rubber industry (rubber shoes) shows a monthly decrease of 2.2 per cent. The heavy chemical industry shows an increase in the output of acids by 10.7 per cent, of alkalis by 11.3 per cent and of salts by 6.5 per cent. The output of superphosphates shows a decrease of 15.8 per cent. The glass industry shows a monthly increase of 12.8 per cent, while in the cement industry a decrease of 7.4 per cent was noticed. The increase in the tobacco industry was 1.5 per cent, and in the match industry 15.5 per cent.

The gross output of the large scale State industries of the U. S. S. R. is estimated at 706,200,000 rubles (\$363,700,000) in October, as against 700,100,000 rubles (\$360,500,000) in September of the same year, and 552,300,000 rubles (\$284,400,000) in October 1925.

### Soviet Mineral Resources

IN SPITE of the existence of extremely abundant mineral resources, the mining industry was not sufficiently developed in pre-war Russia and the value of its output constituted only 17 to 18 per cent of that of the total industrial output of the country.

The result of this policy was the importation of vast quantities of minerals, above all, of coal; next came the non-ferrous metals, building materials, mineral fertilizers, etc.

The export of products of the mining industry was not sufficiently developed, and constituted only 7.8 per cent of the total value of exports for 1913. Oil, manganese and iron ores, as well as platinum, were the principal export items under this head, the same as at present. Other materials, such as coal, asbestos, etc., were exported only in negligible quantities.

The mineral wealth of the U. S. S. R. has been investigated only to a very slight degree. However, even those mineral reserves of the U. S. S. R. which are known, could be developed to such an extent as to take care of the domestic requirements, thus obviating the necessity of importing non-ferrous metals and other materials, and to render possible a considerable extension of the exports of mineral products.

While possessing 40 per cent of the world's oil reserves, the U. S. S. R. produces only 5 per cent of the world's output, occupying the third place in this respect. There is no doubt that the U. S. S. R. could greatly increase its oil output without fear lest it might remain without reserves. This would, of course, necessitate the investment of large amounts of capital and extensive preparatory work.

The Soviet Union contains a number of regions which have hardly been investigated, and which, to judge from the available information, give every reason to assume the presence of very rich oil deposits. Among these regions are to be mentioned the Caspian and Black Sea shores of the Caucasus, the Crimean and Kerch shores of the Black Sea, the Middle Volga region, the Transcaspian region, the region situated west of the Baikal Lake, Kamchatka, etc.

The coal resources are much smaller. The coal deposits of the Soviet Union constitute 6 per cent of the world's coal reserves, and the country produces 2.5 per cent of the world's output. As stated in another article of this issue, the known coal reserves of the U. S. S. R. constitute about 430 billions of metric tons.

The iron reserves in the subsoil of the U. S. S. R. amount to 12 per cent of the world's reserve. It must be pointed out, however, that the real extent of the iron resources is much higher,

# MINERAL RESOURCES OF THE U.S.S.R. ASIATIC PART

GOLD  
IRON ORE  
COPPER  
ZINC-LEAD  
COPPER-GOLD  
MICA  
RADIUM

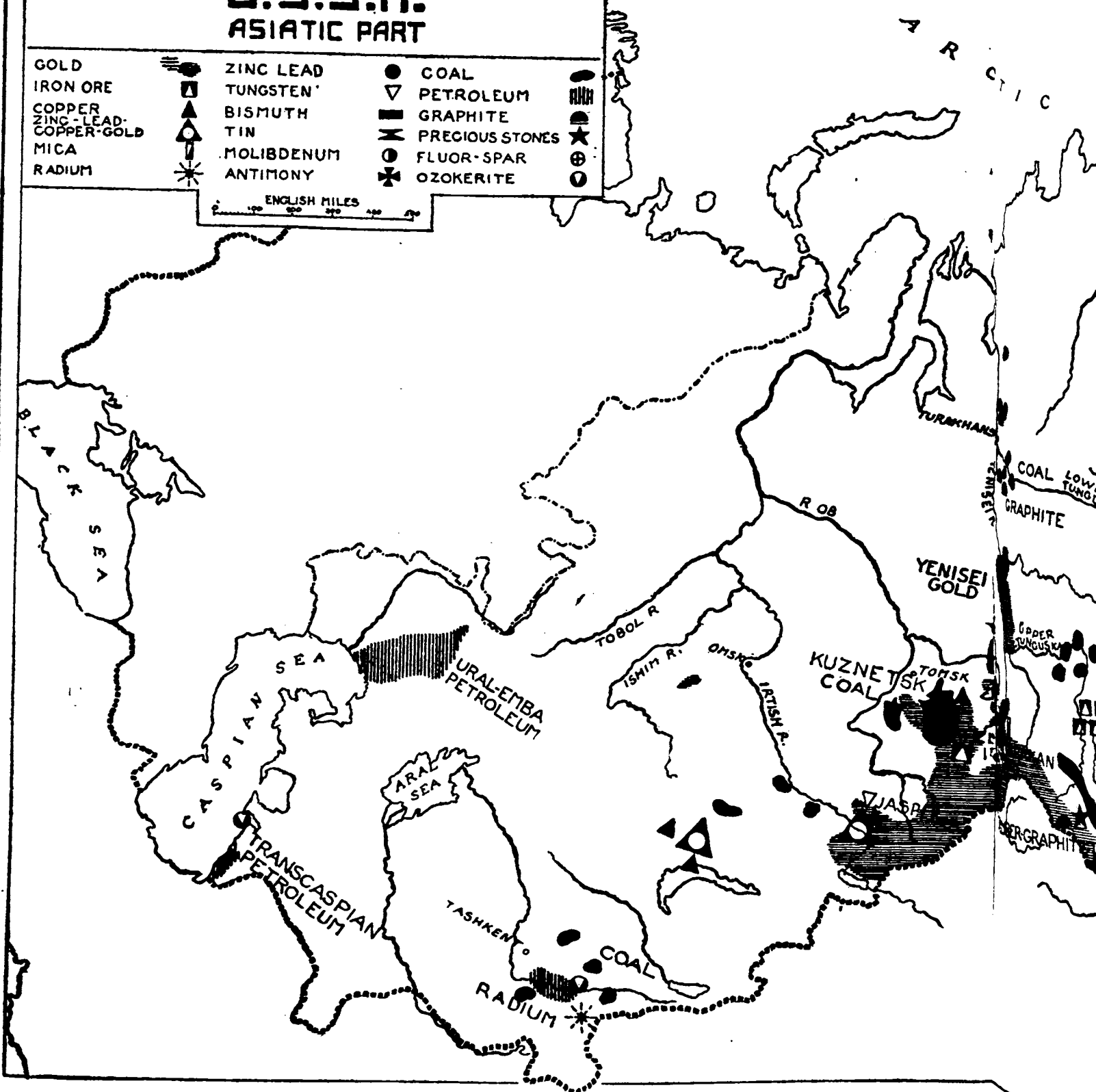
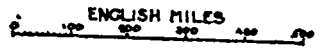


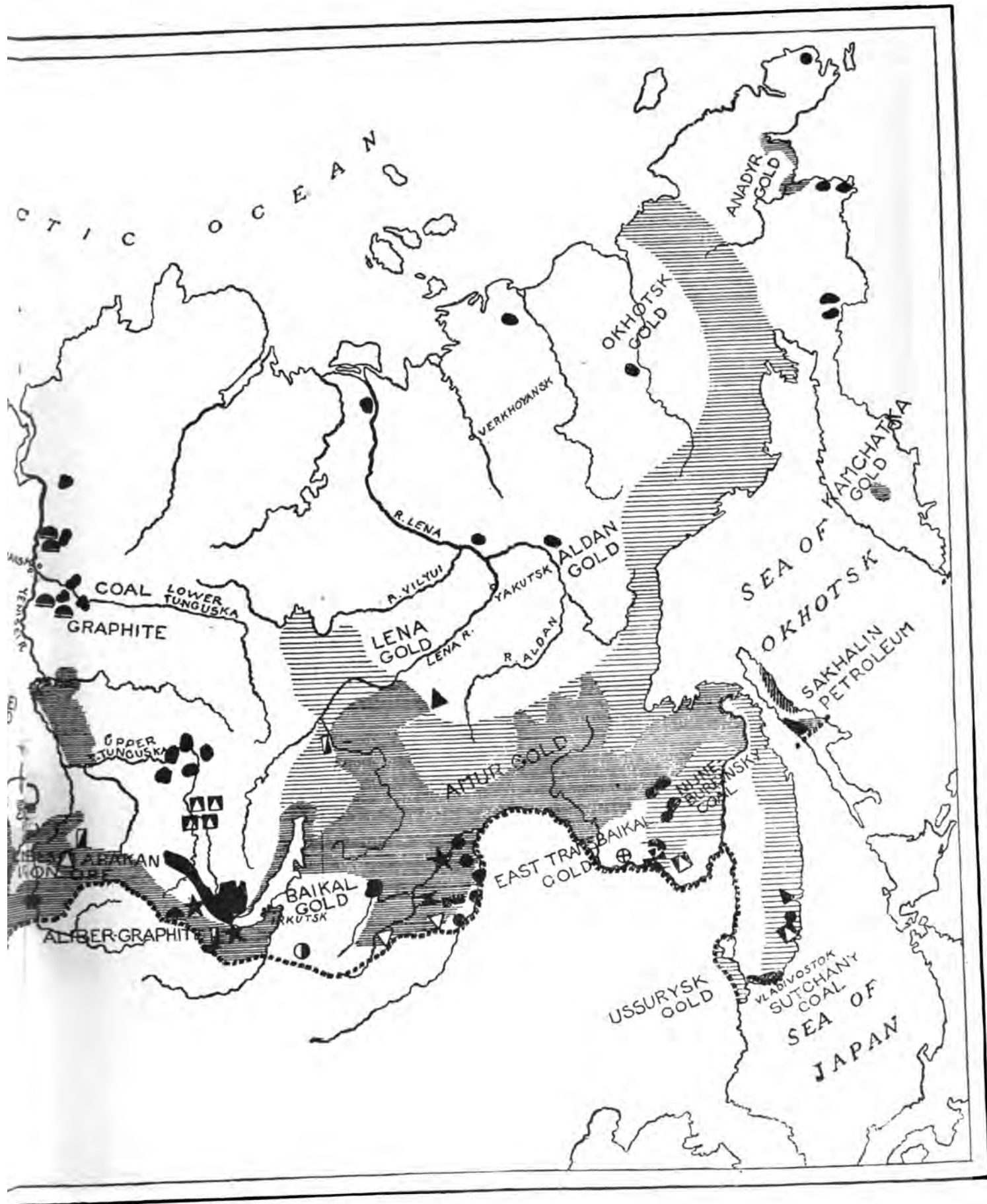
ZINC LEAD  
TUNGSTEN  
BISMUTH  
TIN  
MOLIBDENUM  
ANTIMONY

COAL  
PETROLEUM  
GRAPHITE  
PRECIOUS STONES  
FLUOR-SPAR  
OZOKERITE



ENGLISH MILES





as these calculations (12 per cent) do not take into consideration the enormous iron deposits of the Kursk region in Central Russia, nor the ferrous quartzites of Krivoi Rog, in Southern Ukraine. The reserves of pure iron throughout the northern zone of the Kursk region alone are estimated at 16,000,000,000 to 20,000,000,000 metric tons. The quality of Soviet iron ore, as well as the extent of its reserves, will render possible not only the satisfaction of domestic needs but also the extension of the export operations.

With regard to manganese, the U. S. S. R. occupies a dominant position and is economically superior to its competitors on the foreign market, both with regard to output and transport possibilities. The output of manganese ore in the Soviet Union constitutes approximately 30 per cent of the world's production. Due to a favorable geographical location as well as to the high quality of Soviet manganese ore, a considerable extension of the export operations as well as full satisfaction of the needs of the country's metal industry is possible.

With regard to asbestos, the Soviet Union occupies the third place in the world's output. Recently asbestos acquired great importance in connection with the wide application of this mineral to various branches of national economy. All the necessary conditions for a vast development of the asbestos industry are available—enormous reserves and high quality. The U. S. S. R. is one of the principal suppliers of asbestos on the European markets and could greatly extend its export operations.

The above data show that the exploitation of the mineral resources of the U. S. S. R. is not being carried on with sufficient intensity. This is due, on the one hand, to the lack of capital needed for investment in the mining industry, and, on the other hand, to the fact that the mineral deposits of the country are still vastly unexplored.

### **Exploration of the Mineral Resources of the Country**

During the five years of peaceful economic reconstruction subsequent to the Revolution and the Civil War science greatly advanced the investigation of the natural riches of the Soviet Union. For the last five years the Special Commission of the Academy of Sciences for the Study of the Natural Productive Forces of the U. S. S. R. ("K. E. P. S.") directed its activities towards current economic problems of practical importance; it organized a number of expeditions and issued a great many of valuable monographs on the natural riches of the Soviet Union. In the course of 1922-24 the Geological Committee published maps showing the location of the most important useful minerals in the U. S. S. R., as well as guides for the study of these maps.

The most extensive among the expeditions organized by the Academy of Sciences was the Yakut Expedition undertaken in the summer of 1925. This expedition was split up into a few sections. One of these was concerned with the exploration of a region which has been scarcely studied as yet, but which is of great interest from the point of view of the country's national economy on account of its great natural riches. This region, known as the gold bearing Aldan region, is situated at a distance of 500 to 600 kilometers from the Pacific Ocean, between the geographical latitudes of Archangel and Leningrad, and borders in the west on the Lena River, and in the east on the Aldan River. The expedition will continue its activities in 1927. The remarkably favorable results of the investigations of the Aldan gold region are well known. Mining activities are being conducted very energetically. In the course of last July the first dredge was installed in the gold fields.

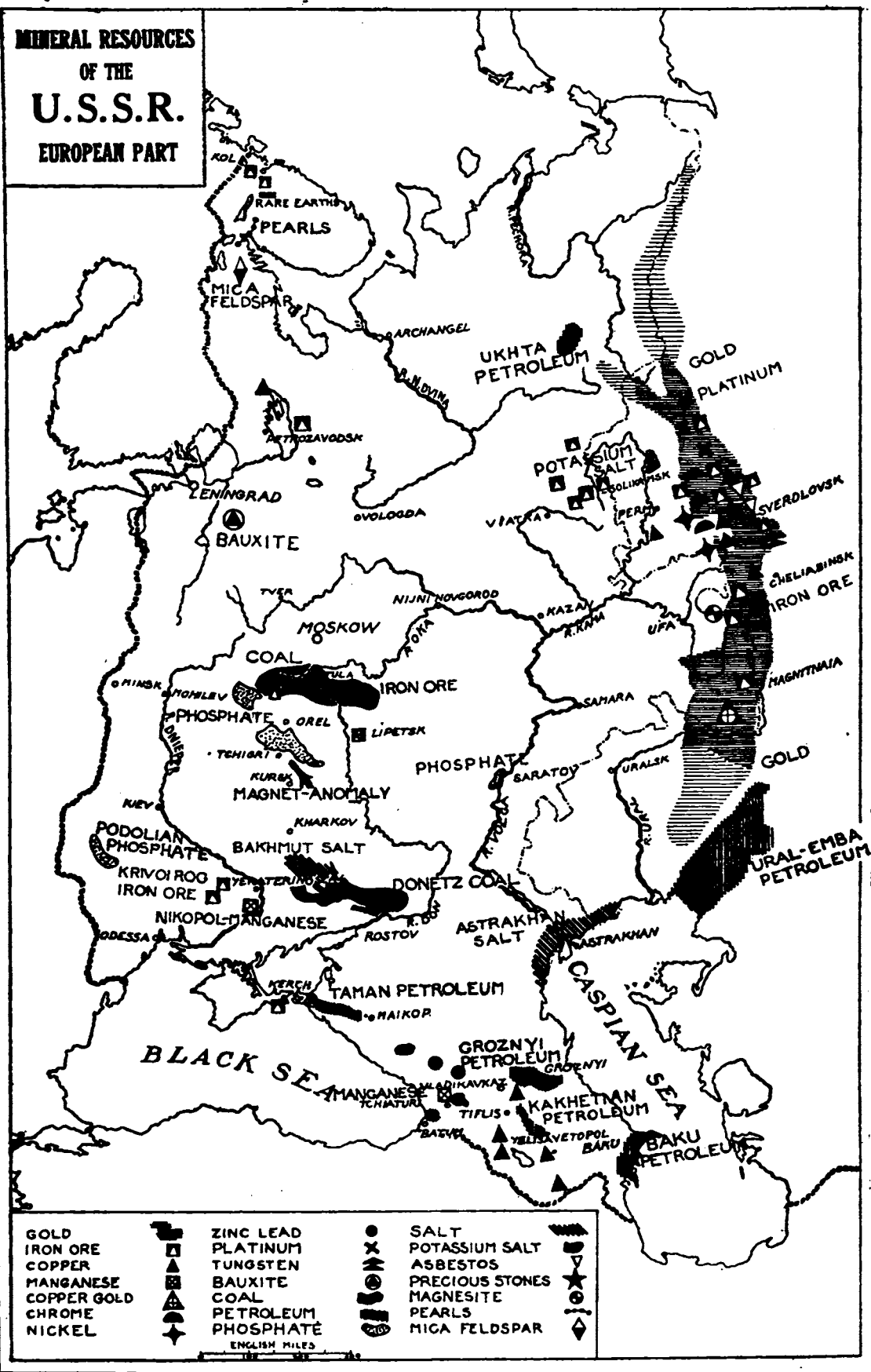
Aluminum deposits in the Novgorod Province have been long known in Russia. The Tikhvin bauxites which contain aluminum have been repeatedly investigated in the course of the last eight years. There are similar deposits in other regions.

Vast manganese deposits are situated in various regions of the Soviet Union. They are of great importance for the foreign trade. Of these regions even the Chiaturi region in Transcaucasia, from which manganese ore was being exported for many years before the war, cannot be considered as fully surveyed. The manganese deposits in the Nikopol region, long known, have been only partly investigated. Methods of concentrating these ores are being elaborated, and a plan has been worked out for the systematic exploration of this region within the next three years. In 1924-25 manganese ore deposits were discovered in the Maikop region. They may be used for industrial purposes after having undergone a process of concentration. In Siberia the exploration of manganese deposits near Achinsk has been resumed. New investigations of manganese ores were undertaken in the Minusinsk region, near the village Nikitina.

In 1925 investigations in the Onon-Borzinsk region in Transbaikalia (Eastern Siberia) established the presence of tin and tungsten ores. Up to the present the ore deposits found contained only a comparatively low percentage of tin, the total metal content being about 1,600 metric tons. The investigations were continued in 1926, and the radius of the investigated region was enlarged. There is a basis for the assumption that vast deposits with a richer metal content will be discovered. Experiments relating to the concentration of Onon tin ores are being carried on at present.

Of exceptional importance are the recent results

**MINERAL RESOURCES  
OF THE  
U.S.S.R.  
EUROPEAN PART**



of the investigations of the potassium deposits in the Solikamsk district, in the Province of Perm, on the Kama River. These investigations were being carried on, with interruptions, in the course of the last ten years. In 1925, drillings first laid bare, at a depth of 92 meters, a considerable layer of potassium salts containing over 20 per cent of potassium chlorid. In the course of 1926 the investigations in the Solikamsk district were continued. (The results of these investigations were described in the December issue of the *RUSSIAN REVIEW*.) These deposits are expected to become of decisive importance in the agricultural development of the vast Volga region, as they will provide the soil with a cheap fertilizer.

In close connection with the explorations and the study of the country's natural wealth are the investigations designed to ascertain the industrial value of the various mineral deposits.

Since the establishment of the Soviet Government a number of scientific institutions concerned with technical investigations were organized or are in the process of formation. The activities of these institutions, such as the Thermotechnical Institute, the Petroleum Institute, the Institute of Applied Chemistry, the Institute for Mechanical Concentration of Ores, the Ceramic Institute, the Institute of Mineral Raw Materials, the Silicate Institute, and of many other institutes, are making up for the stagnation during the pre-revolutionary period.

## Coal Resources of the Soviet Union

**T**HE coal reserves of the Soviet Union, amounting approximately to 428,300,000,000 metric tons, constitute 6 per cent of the world coal reserves. Of this amount 354,300,000,000 metric tons are soft coal and 54,100,000,000 metric tons anthracite. The maximum pre-war coal output was about 35,000,000 metric tons annually, which is less than one-hundredth of one per cent of the country's available reserves. It must be pointed out that, in addition to the surveyed coal deposits whose reserves have been estimated at 428 billion metric tons, the territory of the Soviet Union includes a number of regions—the Kirghiz steppes, Turkestan, the Caucasus, the right bank of the Dnieper River in the Ukraine, as well as the Far Eastern Region—where indications of the presence of new vast deposits of hard, soft and brown coal have already been found. Further investigations will add considerably to the reserves of this mineral as known at present. In consequence of work carried on during the last few years the existence of new vast coal basins has been established: The Tunguzka basin situated between the middle courses of the Lena and Yenisei Rivers, and the Pechora Basin situated on both banks of the middle course of the Pechora River in Northern Russia.

## The Resources of the Donetz, Kuznetz and Irkutsk Basins

The Geological Committee has finished its work of ascertaining the resources of the Donetz, Kuznetz and Irkutsk Basins. The activities in question had taken up many years. With regard to the size of the coal reserves the first place is held by the Kuznetz Basin in the southwestern part of Siberia, comprising 250,000,000,000 metric tons. The Irkutsk Basin reserves have been estimated at 100,000,000,000 tons and those of the Donetz Basin at 59,000,000,000 tons. The Irkutsk Basin is of great importance, due to the discovery there of rich boghead coal deposits which can be used for the manufacture of various oil products.

## Coal Reserves in Sakhalin

The Geological Committee has concluded the examination of the material collected in connection with the investigation of the coal deposits in the basin of the Vladimirovka River in the northern part of Sakhalin. The coal reserves in that region amount to 131,000,000 tons, and as it is probable that the coal deposits extend another three miles to the south, it is assumed that the total coal reserve of the Vladimirovka region amounts to 180,000,000 tons.

## Coal Deposits in Central Asia

The People's Commissariat for Transports has sent a commission of experts to Soviet Central Asia who will conduct scientific experiments for the purpose of studying the local coal deposits along the railway system, and of determining the methods of exploiting them efficiently. According to preliminary estimates the coal deposits of Soviet Central Asia amount to about 440,000,000 metric tons. In some places the coal is cropping out and can be mined from the surface.

## The Map of the Donetz Coal Basin

The Geological Committee has drawn up a new geological map of the Donetz Basin. It took about twenty-five years to accomplish this task. The entire area of the Donetz Basin is marked on the map, the deposits and coal reserves being indicated in detail verst by verst. The reserves amount to 59,000,000,000 tons, and are sufficient to provide for the needs of the industries for 500 years.

The most recent researches of the Geological Committee have established that the coal deposits of the Donetz Basin are extending still further to the East and to the West. Of particular importance is the extension of the coal deposits towards the Don River, as in this region the coal can be coked and is of better quality than the English product.

## Soviet Foreign Trade 1925-1926

ACCORDING to preliminary data of the People's Commissariat for Foreign Trade and Domestic Commerce of the U. S. S. R., the foreign trade turnover across all frontiers of the Soviet Union during the fiscal year 1925-26 amounted to 1,424,000,000 rubles (\$733,360,000), the exports making up 668,000,000 rubles (\$344,020,000) and the imports 756,000,000 rubles (\$389,340,000). As compared with the preceding year the exports increased by 16 per cent and the imports by 4.6 per cent. The total foreign trade turnover in 1925-26 attained 34.2 per cent of the average annual turnover during the five years preceding the war. It must, however, be borne in mind that the pre-war data refer to the total foreign trade turnover of the entire Russian empire including Finland, Esthonia, Latvia, Lithuania, the greater part of Poland, and Bessarabia, at present under Rumanian occupation. The total turnover for 1925-26 across the European frontier amounted to 1,263,000,000 rubles (\$650,450,000), as against 1,151,600,000 rubles (\$593,074,000) in 1924-25, and that across the Asiatic border to 160,500,000 rubles (\$82,600,000) as against 143,500,000 rubles (\$73,900,000) in 1924-25.

The results of the foreign trade in 1925-26 are somewhat more favorable than in 1924-25. In 1924-25 the total trade turnover across all frontiers amounted to 1,295,000,000 rubles (\$666,900,000), with 575,000,000 rubles (\$296,100,000) falling to the share of the exports and 720,000,000 rubles (\$370,800,000) to the imports.

The Soviet exports were distributed as follows, according to the various items: Grain products, 156,011,000 rubles (\$80,340,000); poultry and venison 2,936,000 rubles (\$1,512,000); butter, 20,850,000 rubles (\$15,888,000); eggs, 23,629,000 rubles (\$12,169,000); caviar, 5,331,000 rubles (\$2,745,000); oil cake, 23,673,000 rubles (\$12,192,000); timber materials, 52,030,000 rubles (\$26,795,000); seeds, 14,181,000 rubles (\$7,303,000); furs, 63,318,000 rubles (\$32,608,000); sheep casings, 9,280,000 rubles (\$4,779,000); bristles, 10,279,000 rubles (\$5,297,000); flax, 44,822,000 rubles (\$23,083,000); hemp and tow, 2,297,000 rubles (\$1,183,000); manganese ore, 21,285,000 rubles (\$10,961,700), and oil products, 69,487,000 rubles (\$35,786,000).

The imports of foodstuffs amounted to 38,577,000 rubles (\$19,867,000), while in 1924-25 their amount was 165,744,000 rubles (\$85,358,000); the imports of raw materials and semi-manufactured products amounted to 365,296,000 rubles (\$187,622,000), as against 315,900,000 rubles (\$162,690,000), in 1924-25. An exceptional place among the various import items is occupied by cotton, of which 104,450,000 rubles worth (\$53,790,000) was imported.

With regard to the volume of the foreign trade operations with the various countries the first place is held by England with 312,500,000 rubles (\$160,900,000) exports amounting to 187,100,000 rubles (\$96,350,000), and imports to 125,400,000 rubles (\$64,600,000); next comes Germany with 283,200,000 rubles (\$145,800,000) exports amounting to 111,000,000 rubles (\$57,100,000) and imports to 172,200,000 rubles (\$88,700,000); the third place in the Soviet Union's foreign trade is held by the United States. The total trade with the United States amounted to 144,900,000 rubles (\$74,600,000) with 25,000,000 rubles (\$12,900,000) falling to share of exports to, and 119,900,000 rubles (\$61,700,000) to the share of imports from the U. S. A.

The other countries are of less importance in the foreign trade of the U. S. S. R. Thus the exports to France amounted to 39,800,000 rubles (\$20,500,000), and the imports from that country 19,000,000 rubles (\$9,800,000). The corresponding figures for the trade with Poland were 3,100,000 rubles (\$1,590,000) for the Soviet exports, and 9,200,000 rubles (\$4,700,000) for the Soviet imports. Belgium: Soviet exports 18,600,000 rubles (\$9,580,000) and Soviet imports 1,900,000 rubles (\$978,000); Italy: Soviet exports 33,500,000 rubles (\$17,250,000) and imports 23,200,000 rubles (\$11,900,000); Holland: Soviet exports 21,000,000 rubles (\$10,870,000), and imports 6,800,000 rubles (\$3,500,000), etc.

Soviet exports to Persia amounted to 32,324,000 rubles (\$16,647,000), and imports from that country to 36,134,000 rubles (\$18,609,000). The corresponding figures with regard to Afghanistan amounted to 2,289,000 rubles (\$1,179,000), and to 2,529,000 rubles (\$1,302,000) respectively. The corresponding figures for China were 13,131,000 rubles (\$6,762,000), and 17,620,000 rubles (\$9,074,000).

### Soviet Foreign Trade for October

Foreign trade of the Soviet Union for October, the first month of the Soviet fiscal year, showed a continuance of the favorable balance begun in September. Exports for the month were \$33,728,900 and imports \$29,930,800, giving a favorable balance of \$3,798,100. The figures are for European frontiers only. The trade turnover showed an increase of 16.3 per cent over September, but a decrease of 22 per cent as compared with October of last year, for which month the imports were \$42,487,500.

The decrease of imports as compared with last year was wholly in consumption goods. Imports of equipment for industry showed a marked gain as compared with last year. Exports of grain for the month were lower than those of October, 1925, during which period an ambitious export program was carried out at the expense of the internal market.

## Soviet Industrial Imports

THE Soviet import program for the fiscal year 1926-27 has been left nearly at the level of 1925-26. But, whereas the aggregate import figure for the fiscal year 1926-27 has remained almost unaltered, the internal distribution of the constituent sums has undergone a rather consider-

able change. The import program for 1926-27 clearly manifests the Soviet Government's determination to proceed on the road of industrialization. The total industrial imports in 1926-27 as given in the table below (in which the upper lines indicate the values in rubles and the lower lines the values in dollars) will show the following increase over previous years:

	1913	1923-24	1924-25	1925-26 (11 mos.)	1926-27 Program
A. Raw, Semi-Manufactured and Auxiliary Materials.....	553,000,000 \$284,790,000	131,600,000 \$67,770,000	327,800,000 \$168,800,000	326,700,000 \$168,200,000	433,400,000 \$223,200,000
B. Equipment and Tools.....	133,900,000 \$68,950,000	14,000,000 \$7,210,000	47,900,000 \$24,660,000	58,500,000 \$30,130,000	155,000,000 \$79,800,000
Total Industrial Imports.....	686,900,000 \$353,740,000	145,600,000 \$74,980,000	375,700,000 \$193,400,000	385,200,000 \$198,300,000	588,400,000 \$303,000,000
All Imports.....	1,220,500,000 \$628,560,000	200,500,000 \$103,250,000	633,300,000 \$326,100,000	622,600,000 \$302,630,000	740,800,000 \$381,500,000
Percentage Ratio of Industrial Imports to All Imports.....	56.3	72.6	59.3	61.9	79.4
Percentage Ratio of Equipment Imports to Total Industrial Imports.....	19.5	9.6	12.7	15.2	26.3
Percentage Ratio of Equipment Imports to All Imports.....	11.0	7.0	7.6	9.4	20.9

This table shows that in 1913 industrial imports constituted 56.3 per cent of the total imports. In 1925-26 they made up 61.9 per cent, while in the fiscal year 1926-27 they will amount to 79.4 per cent of the total, that is, they will considerably surpass the pre-war ratio. Turning to equipment, imports of this class in 1913 amounted to 133,900,000 pre-war rubles in value (or 174,100,000 of the present chervonets ruble\*). In 1924-25 equipment imports totaled 47,900,000 rubles (\$24,660,000), in the year 1925-26 they were expected to rise to 67,000,000 rubles (\$34,500,000), and in 1926-27 they will aggregate 155,000,000 rubles (\$79,800,000). Thus, with total imports not exceeding 50 per cent of the pre-war volume, the importation of equipment will reach 89 per cent of the pre-war aggregate for this category during the current fiscal year.

It must be observed that the role played by imports of staple goods for general consumption is declining in step with the increase of industrial imports. The percentage of staple commodity imports to total imports has changed as follows: 1913—28.7 per cent; 1924-25—30.0 per cent; 1925-26—13.0 per cent; 1926-27—8.0 per cent.

During the fiscal year 1924-25 the imports of staple consumption goods were twice as large as the equipment imports in value. In 1925-26 the equipment imports equalled the consumption commodity imports in value, while it is proposed to import three times as much equipment as staple consumption articles during the fiscal year 1926-27.

\* The present ruble is one-tenth of the gold "chervonets" valued at \$5.14½.

In order to enlarge the machine building capacity of the Soviet Union, the imports for 1926-27 provide in the first instance for the needs of the metallurgical industry, the metal working industry, the electrical equipment and supply industry, the coal industry, and for major electric power construction. The foregoing industrial branches will account for about 50 per cent of Soviet imports during the fiscal year 1926-27.

### Activities of the All-Russian Textile Syndicate

The All-Russian Textile Syndicate, Inc., of New York, which purchases American cotton, dyes and machinery for the All-Union Textile Syndicate, of Moscow, controlling 98 per cent of the textile output of the Soviet Union, recently completed its third year of operations and announced that during that period its purchases here amounted to about \$130,500,000. Of this amount only about \$300,000 was expended for dyes and machinery, and the remainder for cotton.

In connection with its birthday the Syndicate made public its report for its business year ending September 30, last, corresponding with the Soviet fiscal year. During this period the Syndicate purchased 263,700 bales of cotton valued at \$33,053,445 c. i. f. Murmansk. It also purchased dyes valued at \$146,509.58 and machinery worth \$8,129.81, bringing the total for the year to \$33,208,084.88. Twenty-two steamers were chartered to carry the cotton to Soviet ports.

During the period between December 13, 1923, and September 30, 1926, the total purchases here aggregated \$116,815,282.42, including 784,193 bales of cotton. Seventy-seven steamships were chartered to transport the purchases.

The balance sheet of the Syndicate as of September 30 shows assets, including cash in banks and on hand, \$1,230,496, cotton in transit (pledged) \$8,179,628. The total balance sheet of the above date is \$13,653,721. The balance sheet and the statement of export operations as of September 30 are verified by the auditors, Peat, Marwick, Mitchell & Co. The All-Russian Textile Syndicate, Inc., is a corporation organized under the laws of the State of New York, with a capital of \$2,000,000 fully paid in. Its headquarters are at 120 Broadway, with branches in Houston and New Orleans.

### Oil Exports for 1925-26

**T**HE total quantity of oil products exported during the fiscal year 1925-26, beginning Oct. 1, 1925, was 1,450,000 metric tons, as against 1,316,000 metric tons in 1924-25, an increase of 10.2 per cent.

The exports of kerosene totaled 300,600 metric tons, a reduction of 21.8 per cent, as compared with the preceding fiscal year. Consumers of Soviet kerosene are England, Germany, Belgium, Turkey and the Baltic countries. The export to the British colonies was reduced, but the export to the United Kingdom increased 100 per cent. The export to Germany was four times, and to Belgium three times larger than for the previous year.

During the past fiscal year 400,000 metric tons of gasoline and ligroin were exported, an increase of 47.3 per cent over the fiscal year 1924-25. The exports of Soviet gasoline to England and to Italy were doubled, and those to Germany and France increased 25 per cent and 20 per cent, respectively. This increase is a natural result of the development of the automobile traffic, and of the extremely high quality of Soviet gasoline, which is in great demand in Europe. The consumption of Soviet gasoline has greatly increased in Turkey, and considerable quantities (10,000 metric tons) of this product have for the first time been sold to Spain and to Portugal.

The exports of lubricating oils increased 31 per cent, amounting to 127,000 metric tons. The chief consumers were England, Germany, France, Denmark and Belgium. The exports to England maintained the same figure as for the preceding year; while the exports to Germany and France show an increase of 70 per cent, and 100 per cent respectively.

The exports of solar oil were somewhat reduced, due to the decrease of the German demand; they amounted to 49,000 metric tons. The exports of gas oil which amounted to 102,000 metric tons,

increased 176 per cent over the preceding year. Soviet gas oil is a liquid fuel of the highest quality and is highly adapted as a raw material for obtaining gasoline by the "cracking" method. During 1925-26 Soviet gas oil was first sold to England and France, the quantities shipped amounting to 25,000 and 9,000 metric tons respectively. Germany increased the import of Soviet gas oil by 100 per cent, Italy by 600 per cent and Belgium by 300 per cent.

An 8 per cent reduction, as compared with 1924-25, was noticed in the export of fuel oil ("mazut") of which 348,000 metric tons were exported in 1925-26. The reduction was due to an increase of domestic consumption. The principal foreign consumers are, as heretofore, Italy (with a 60 per cent increase), France and England.

Exports of crude oil were increased by 79 per cent, as compared with the preceding year, the total quantity exported amounting to 111,000 metric tons during 1925-26. During that year Soviet crude oil was purchased for the first time by Germany, which took 25,000 metric tons, while the exports to Italy increased 400 per cent, that country supplying some Central European and Balkan countries with oil products.

The principal European countries show the following increase of their share in Soviet oil exports: England, from 24.8 per cent in 1924-25 to 26.13 per cent in 1925-26; France, from 10.6 per cent in 1924-25 to 12.2 per cent in 1925-26; Italy, from 18.49 per cent in 1924-25 to 25.93 per cent in 1925-26; Belgium, from 3.6 per cent in 1924-25 to 3.79 per cent in 1925-26, and Germany, from 3.6 per cent in 1924-25 to 15.37 per cent in 1925-26.

The total exports were distributed as follows, according to the three principal oil trusts of the Soviet Union: Azerbaijan Oil Trust ("Azneft") operating the Baku fields, 69 per cent; Grozny Oil Trust ("Grozneft") operating the Grozny oil fields, over 30 per cent, and Emba Oil Trust ("Embaneft") operating the Emba oil fields, 0.6 per cent.

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## New Code of Marriage and Family Laws

THE All-Russian Central Executive Committee, the legislative body of the Russian Socialist Federal Soviet Republic (R. S. F. S. R.) embracing 92 per cent of the territory and 69 per cent of the population of the Soviet union, has recently adopted the new code of marriage and family laws, which had been under discussion for the last two years.

The new code defines more specifically marriage registration and marriage itself. The indisputable significance of marriage registration consists in the facts that it confers advantages in the field of property relations, being an incontrovertible proof of the existence of marriage relations and corresponding property rights. In case there was no registration the following circumstances are accepted by the court as evidence of matrimonial relations: The fact that the persons concerned had been living together and keeping house together, and the acknowledgment of the existence of matrimonial relations to third persons in personal letters and other documents, as well as mutual material support, joint bringing up of children and so on, according to circumstances. Matrimonial relations without registration give protection only in the field of property rights. Registration is, however, necessary for the acquisition of other privileges. An indispensable condition for marriage registration is the attainment of the age of 16 years for women, and of 18 years for men.

There can be no registration of marriage between persons if one or both are already married, whether that marriage be registered or not. When registering their marriage each person concerned is requested to sign a declaration stating that he (or she) is not already married, whether that marriage be registered or not. Persons guilty of false statements in this respect are subject to criminal prosecution and are liable to incur a penalty of up to two years imprisonment.

During the registration the persons concerned are likewise requested to sign an affidavit stating that the persons contracting the marriage are cognizant of each other's condition of health, particularly with regard to venereal, mental and tubercular diseases, and stating also how many times each of the parties concerned had been married before (whether the marriages were registered or not) and how many children each of them has.

Alimony may be claimed whether the marriage was registered or not. It is payable to the party (husband or wife) that is unable to work, for a period of one year subsequent to the divorce.

The section dealing with the relation of children and parents stipulates that there is no dif-

ference between legitimate and illegitimate children. In case parents are found to be transgressing their parental rights, the court may not only divest them of these rights, but may even deprive them of the custody of their children.

With regard to family relations, the new law provides that in case parents are unable to support their minor sons or daughters, the latter are entitled to claim support from their brothers and sisters who possess sufficient means. The same refers to grandmothers and grandfathers. According to the former code, the conception of family was restricted to parents and children only.

The new Code of Marriage and Family Laws comes into force on January 1, 1927.

## Foreign Relations of the Soviet Union

AN EXCHANGE of notes took place between the Polish Foreign Office and the People's Commissariat for Foreign Affairs of the Soviet Union, on the occasion of the conclusion of the Soviet-Lithuanian agreement of September 28, 1926. The first note, dated October 23, 1926, was signed and transmitted in Moscow by Mr. Wyszynski, Polish Charge d'Affaires in the U. S. S. R. The second, containing the reply of the People's Commissariat for Foreign Affairs of the U. S. S. R. was dated November 19, 1926. It was signed and transmitted in Warsaw by Mr. Voikov, diplomatic representative of the Soviet Union in Poland.

### *The Text of the Polish Note*

Upon instructions received from my Government I have the honor to bring the following to your cognizance:

On September 30 of the current year there was published in "Izvestia," Central Organ of the Executive Committee of the Union of Soviet Socialist Republics, the text of the agreement, concluded September 28, 1926, between the Government of the Union of Soviet Socialist Republics and the Government of the Lithuanian Republic, as well as the text of the notes, supplementing that agreement.

The aforementioned documents have attracted the attention of the Government of the Polish Republic in view of the fact that they contain reference to some territory situated west of the Polish-Soviet frontiers established by Article 2 of the Riga Treaty of March 18, 1921, which territories constitute an indisputable and integral part of the territory of the Polish Republic.

In view of the above, the Government of the Polish Republic again declares that by virtue of Article 3 of the Riga Treaty, the Government of the Union of Soviet Socialist Republics renounced all rights and claims with regard to territories

situated west of the frontier traced in Article 2 of the aforesaid Treaty, and declared that if in these territories are included lands which are objects of a controversy between Poland and Lithuania, then the question of who is entitled to those lands is to concern exclusively Poland and Lithuania. Subsequently, upon the initiative of the Government of the Lithuanian Republic, which initiative was upheld by the Government of the Polish Republic, the legal political status of these territories was determined by the decision of the Conference of Ambassadors of March 15, 1923, and thereby finally settled by a method binding for both Poland and Lithuania. This decision, being binding for both interested parties, cannot be questioned by any international act executed with the participation of only one of these parties.

#### *Reply of the Soviet Government*

In reply to the note of October 23, 1926, under No. 2405/26 I have the honor, upon instructions from my Government, to bring the following to your cognizance:

In conformity with Article 3 of the Riga Treaty, the Soviet Government has renounced its rights and claims to lands situated to the west of the frontier established in Article 2 of that Treaty, and at the same time engaged itself to recognize any agreement that would materialize between the Polish and Lithuanian Republics with regard to territories at issue between them, which are situated west of the aforementioned frontier.

Up to the present the Government of the Union of Soviet Socialist Republics has not received from the Governments of the Polish and Lithuanian Republics any information as to the existence of such an agreement. On the contrary, it was informed by the Lithuanian Government that it still considers the Polish-Lithuanian frontier controversy as unsolved.

As regards the decision of the so-called Conference of Ambassadors, to which reference is made in the above note of the Polish Government, the Government of the Union of Soviet Socialist Republics can not consider itself bound to recognize in general the jurisdiction of any third party in the question at issue, and in particular of a conference held in one of the European capitals by the representatives of a few third countries who neither on historical, nor on juridical nor moral grounds could claim the right to make dispositions concerning the territories at issue in the given case. The Government of the Union of Soviet Socialist Republics has already had the honor to make its point of view in this respect known to the Government of the Polish Republic in its note of April 5, 1923. The Government of the Union of Soviet Socialist Republics is also

aware of the fact that the jurisdiction of the above-mentioned Conference is likewise contested by the Government of the Lithuanian Republic, and it does not deem itself justified in entering into a discussion of the motives of such an attitude on the part of the Lithuanian Government towards the aforesaid Conference.

The Government of the Union of Soviet Socialist Republics declares at the same time that in signing the agreement of September 28, 1926, with the Government of the Lithuanian Republic, it had no intention whatever of questioning Article 2 of the Riga Treaty which established the frontier between the Union of Soviet Socialist Republics and the Polish Republic.

The Soviet Government is availing itself of this opportunity to declare again that it is the unchanging desire of the peoples of the Union of Soviet Socialist Republics to live in peace and friendship with all other nations, and that it is their sincere aspiration to establish friendly relations with the Polish people.

#### **Soviet Relations with Turkey**

In a conversation with representatives of the Soviet press, Mr. G. Tchitcherin, People's Commissar for Foreign Affairs of the U. S. S. R., made a statement concerning his meeting with Mr. Teftik-Rushdi Bey, the Turkish Minister of Foreign Affairs. The meeting took place in Odessa, in November, 1926. Some of the most important passages of that statement are reprinted below:

"The meeting was indispensable. The Turkish Minister of Foreign Affairs and the Soviet Commissar for Foreign Affairs felt it necessary to consider jointly, in personal conversations and conferences, all questions touching upon the interests of both countries, and to set down the guiding principles for a harmonious political collaboration in the future.

"Seven years of uninterrupted friendly relations have borne their fruits. The understanding between the two Governments is now closer than ever. This harmony has now been attained, thanks to my meeting with the distinguished and gifted leader of Turkey's foreign policy. It was necessary to sum up and to put into a systematic form the results of seven years' friendly political relations. Objective historical forces are at the basis of our relations with reconstructed Turkey, which has established itself on new foundations.

"The community of interests which unites us with Turkey, consists chiefly in the fact that the peoples of the U. S. S. R. as well as the Turkish people see their basic task in safeguarding peaceful work and internal economic reconstruction.

"This circumstance greatly facilitates the co-ordination of our policies. Both the Soviet Union and Turkey are concerned with peaceful work within their borders. Neither of the parties harbors any hostile intentions directed against anybody. World imperialism, which constantly tries to extend its domination, threatens both the Soviet Union and Turkey.

"Thus the friendly relations between our countries and the harmony with regard to the direction of our policies, have a thoroughly peaceful significance. This fact has deeply penetrated the consciousness of the population of both countries, and found its expression in those enthusiastic scenes of fraternization between Turkish peasants in sailor uniforms and Soviet sailors and soldiers, which during the unforgettable days in Odessa have impressed everybody with their sincerity and their vigor."

### **The Soviet Flag on Herald Island**

The Peoples' Commissariat for Foreign Affairs of the Soviet Union has received the full text of the document drawn up in connection with the raising of the flag of the Union of Soviet Socialist Republics on Herald Island, by the Far Eastern Polar Expedition which reached that island on the steamer "Stavropol."

In accordance with the requirements of international law, this document confirms the sovereign rights of the Soviet Union to the said island. These rights have been declared by the Soviet Government in its note addressed to foreign States in November 1924, concerning the fact that all territories and islands forming the northern continuation of the Siberian continental plateau, belong to the Russian Socialist Federated Soviet Republic, and in the decision of the Presidium of the Central Executive Committee of the U. S. S. R. as of April 16, 1926, relating to the territories and islands situated in the Arctic Ocean alongside of the territory of the U. S. S. R.

### **Diplomatic Nominations**

Mr. P. M. Kerzhentsev was relieved of his duties as diplomatic representative of the Soviet Union in Italy, and Mr. L. B. Kamenev was appointed in his stead.

On November 28, 1926, Mr. Chernykh, the new Chargé d' Affaires of the Soviet Union in Peking, submitted his credentials to Mr. Wellington Koo, Minister of Foreign Affairs.

Mr. A. M. Nikolayev was relieved of his duties as Trade Delegate of the Soviet Union in Norway, and Mr. J. I. Elerdov was nominated in his stead.

Mr. J. D. Janson was relieved of his duties as

Trade Delegate of the Soviet Union in Japan, and Mr. P. V. Anikeyev was nominated in his stead.

Mr. L. F. Gerus was appointed Trade Delegate of the Soviet Union in Canada.

## **Publications Received**

AMERICAN TRADE AND INDUSTRY (in Russian), New York, Nos. 8 and 9, dated November 30 and December 15, 1926.

Contents of No. 8.—Leading Articles: In Memory of L. B. Krassin (with photograph); Organization of Retail Trade in the United States; the Department Store; Cotton Growing in the United States; the Bituminous Coal Situation; Statistical Review of the Agricultural Implement Trade. Shorter reviews are given for the following Soviet export articles, with special reference to market possibilities in the United States: Caviar, Nuts and Calfskins, while the General Review of Business Conditions deals at some length with some of the leading American staples, including grains, cotton and oil. A letter from Canada discusses the possibilities of exports of horses from that country to the Soviet Union.

Contents of No. 9.—Leading Articles: Promotion of Export Trade in the United States; Flexible Tariff Provisions of the United States Tariff of 1922; Employees' Profit Sharing in the United States. Market Reviews in this number deal with the Soviet Union's export articles, such as horse hair, bristles and linseed, and also with American export articles, such as binder twine, grain, rosin, etc., of interest to the Soviet trading community. Other timely topics treated are Soviet Potash and the American Market, the American Crude Rubber Pool, Comparison of Russian and American Pine. A letter from Argentina discusses the subject of stock raising in that country.

Both numbers contain numerous current items, gleaned from the daily and technical press, reviews of books on business and trade and short bibliographic notes. The latest official statistics of United States trade, industry, banking and finance appear in the monthly review of business conditions (in No. 8) and in tabular form in No. 9 under the heading "Indicators of Economic and Financial Conditions in the United States."

### **PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU**

The Agrarian Revolution in Russia.....	25c
The Financial Policies of Russia.....	25c
New Constitution of the Soviet Union.....	15c
Patent Law of the U. S. S. R.....	15c
Commercial Handbook of the Soviet Union.....	25c

## Miscellaneous News

### International Tractor Tests in the U. S. S. R.

International tractor tests in which all the principal foreign manufacturers, including those of the United States, will be invited to participate, will be held in the Soviet Union in the spring. The principal tests will be held in the Northern Caucasus and the Crimea. They will be held under official auspices and awards will be made.

The Soviet Union has purchased tractors and parts valued at \$10,536,155.00 in the United States during the past two years. Of the 22,000 tractors now operating on farms in the Soviet Union, the great majority are of American manufacture.

Last summer, six American firms, Ford, International, Cleveland, Allis-Chalmers, Emerson-Brantingham and Central Tractor Company, exhibited tractors at the Tiflis Exposition.

The tests will include work with plows, cultivators, harrows, seeders, mowers, reapers, threshers and other tractor implements.

Details of the competition can be obtained from the Amtorg Trading Corporation, 165 Broadway, New York, or from the Soviet Trade Delegation in Montreal.

### Soviet Pulpwood and the United States

The recent visit to the Soviet Union of Mr. Hilton U. Brown, for many years general manager of the Indianapolis News, has resulted in a discussion in the Soviet press of the future possibilities of supplying the United States with an increasing quantity of pulpwood for newsprint paper. Mr. Brown was interested in this problem.

According to *Economic Life* (Moscow), the United States imported last year 1,800,000 tons of pulpwood, mostly from Canada. The normal rate of growth in pulpwood forests of the Soviet Union is estimated at about 4,910,000 tons yearly, of which only a negligible amount, about 15 per cent, is exploited. Pulpwood exports of the Soviet Union are at present about 330,000 tons per year. Foreign capital would be needed to develop the industry.

"At present," says *Economic Life*, "our pulpwood growth is being exploited only in regions economically accessible. But even within these regions there are enormous pulpwood reserves. It is clear that under certain conditions we could furnish a considerable part of the pulpwood material the United States must import. The chief question is that of price.

"It is necessary to consider the question, not

only from the point of view of the export of pulpwood, but of the semi-manufactured product, namely, chemical and mechanical pulp. The export of this would be more practicable not only for us, but probably for the United States.

"For this, of course, capital is needed, which at present the U. S. S. R. can not supply to a satisfactory extent. This opens up the problem of attracting foreign capital for the erection in our country of mechanical and chemical pulp factories. It seems to us that American capital could quite profitably work in this direction, and from this point of view there should be started a solution of the problem of supplying the United States with raw material necessary to her paper industry."

### Manganese Production in the U. S. S. R.

Manganese production in the Soviet Union virtually doubled during the Soviet fiscal year ending September 30, 1926. Production was about 25 per cent greater than that of 1913.

Under the first year of operation by the Hariman Georgian Manganese Company the output of the Chiaturi fields, in Soviet Georgia, was 772,000 metric tons, as compared with 436,000 in 1924-25, an increase of over 80 per cent. The increase in the Nikopol fields, operated by a Soviet trust, was even greater. Production was 815,000 metric tons, as compared with 380,000 metric tons in 1924-25, an increase of 114 per cent.

Exports from Chiaturi were 472,000 tons and from Nikopol 235,000 tons. It is estimated that about half of the Chiaturi exports were shipped to the United States.

### Revision of the Customs Tariff

The Council of People's Commissars of the Soviet Union ratified the decision to change a number of tariff rates.

An import tax of 15.5 kopecks (about 8 cents) per kilogram on cotton which so far has been imported duty free via Murmansk, although there has been an import duty of 6¼ kopecks per kilogram on cotton imported through other ports. The price decline on American cotton made it possible to fix such a tax on cotton as would bring the price of American cotton nearer to that of Turkestan cotton.

The import duty on tea has also been raised from 1.48 rubles (76 cents) to 2 rubles (\$1.03) per kilogram. The tax on dyestuffs and electro-technical products has likewise been increased. A uniform tax on machinery has been established amounting to 6¼ kopecks (3.2 cents) per kilo-

gram. The lists of machinery formerly admitted free of duty have been cancelled.

### Financial Statement of Issue Department of State Bank of U. S. S. R.

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of December 15, expressed in chervontzi valued at \$5.14½, with comparison of December 1, follows:

<i>Assets</i>	<i>December 15</i>	<i>December 1</i>
Gold coin and bars.....	16,441,185	16,346,230
Platinum .....	3,038,356	3,038,356
Foreign currency .....	6,058,771	5,750,574
Drafts in foreign currency.....	266,490	192,888
Bills in chervontzi.....	65,109,331	65,586,085
Securities covering advances.....	85,867	85,867
<b>Total .....</b>	<b>91,000,000</b>	<b>91,000,000</b>
<i>Liabilities</i>		
Bank notes transferred to State Bank .....	89,056,202	88,433,188
Balance to which notes may still be issued.....	1,943,798	2,566,812
<b>Total .....</b>	<b>91,000,000</b>	<b>91,000,000</b>

### Currency Circulation on November 1, 1926

Currency circulation in the Soviet Union November 1, 1926, was 1,417,164,200 rubles (\$729,839,563) as compared with 1,343,184,300 rubles October 1, 1926, and 1,246,899,500 rubles November 1, 1925.

### Tax Returns for 1925-26

The total federal tax returns of the Soviet Union for the fiscal year 1925-26 amounted to 1,756,400,000 rubles (\$9,045,500,000), of which 648,800,000 rubles (\$334,130,000), or 36.9 per cent of the total are derived from direct taxes, 976,400,000 rubles (\$502,850,000) or 55.6 per cent of the total from indirect taxes, and 131,200,000 rubles (\$67,560,000) or 7.5 per cent of the total from duties.

### American Aluminum Company Investigating Soviet Aluminum Deposits

The expedition sent by the American Aluminum Company to investigate aluminum deposits in the Soviet Union is now conducting research in the Batum region and the northern Black Sea Coast. Rich layers of aluminum were discovered in the Gandja district of Azerbaijan, where the commission's work has been completed.

### Administrative Appointment

Mr. M. I. Frumkin was relieved of his duties as Assistant Commissar for Foreign and Domestic Trade, and appointed Assistant Commissar for Finances of the Soviet Union.



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**Tchitcherin on International Situation of U.S.S.R.**

**Poland and the Soviet Union**

**Jewish Agricultural Settlement in U. S. S. R.**

**The Dnieper Superpower Plant**

**Technical Service Concessions in the U. S. S. R.**

**Foreign Parcels to the U.S.S.R.**

## TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
<b>New Concessions:</b>		<b>Foreign Relations of the Soviet Union:</b>	
Technical Service Concessions.....	26	Tchitcherin on International Situation of	
Passenger Service Concession.....	27	U. S. S. R.....	32
Photo and Motion Picture Film Concession.....	27	Poland and the Soviet Union.....	33
American Gold Mining Concession.....	28	Foreign Parcels to the U. S. S. R.....	35
Erection of Oxygen, Acetylene and Welding		"A Catalog of American Industry and Trade".....	38
Plant in Baku.....	28	Soviet Railway Transport.....	38
<b>Agricultural Progress:</b>		<b>Miscellaneous News</b>	
Achievements of Soviet Agricultural Expe-		Third Anniversary of Lenin's Death.....	39
riental Stations.....	28	National Income of the Soviet Union.....	39
New Variety of Winter Wheat.....	28	Registered Mail from the U. S. S. R. to U. S. A.....	39
Cultivation of Tea in the Soviet Union.....	29	Growth of Savings Banks.....	39
The Dnieper Superpower Plant.....	29	Financial Statement of Issue Department of	
<b>Soviet Exports and Imports:</b>		State Bank.....	39
Foreign Trade of U. S. S. R. in November	29	Baku-Batum Kerosene Pipe Line.....	39
Purchase of American Agricultural		Soviet Industries in November.....	40
Machinery.....	30	Gold Production in the U. S. S. R.....	40
Exports of Cement.....	30	Amount Collected in U. S. S. R. for British	
<b>Jewish Agricultural Settlement in the Soviet</b>		Miners.....	40
<b>Union:</b>			
Jewish Population in the U. S. S. R.....	30		
Kalinin on Jewish Agricultural Settlement	30		

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# SOVIET UNION REVIEW

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## Technical Service Concessions in the U.S.S.R.

**R**ECENTLY a number of technical service concessions has been put through the Chief Concessions Committee of the Soviet Union and approved. The following paragraphs contain the substance of these agreements.

*Agreement between "Orga-Metall" and "Vaude-wag."*—The "Orga-Metall," a Soviet corporation for the introduction of modern efficiency systems in manufacturing and heavy industry, has concluded a three-year agreement with a German firm, "Verein Deutscher Fahrzeugmaschinenfabriken Vaude-wag," under the terms of which the contracting parties are to establish a technical bureau in Berlin for the mutual elaboration of projects submitted by "Orga-Metall" for the equipment of new factories and the reequipping of old factories in the Soviet Union.

The technical bureau will be conducted by the two parties on a basis of equality.

The "Vaude-wag" firm binds itself to supervise the practical execution of the plans worked out by the technical bureau and, at the request of "Orga-Metall," to assign installation men and engineers to plants in the Soviet Union.

The German company will place models of machines, lathes and appliances at the disposal of the "Orga-Metall" organization in accordance with specifications drawn up by the latter.

*Agreement between State Electro-Technical Trust and General Electric Company of Germany.*—An agreement concluded between the State Electro-Technical Trust and the General Electric Company of Germany is designed to provide the former with technical aid in the construction of generators, motors, transformers and other electric machines and appliances employed in high current work.

Under this agreement the State Electro-Technical Trust is granted the exclusive privilege of producing in the Soviet Union those articles on which the General Electric Company holds the manufacturing rights. The State Electro-Technical Trust will have the right to use all patents, inventions, models, experiments, etc., belonging to the General Electric Company in the field of high current technology.

At the request of the State Electro-Technical Trust the General Electric Company will furnish copies of drawings and technical data and will send its engineers and skilled workers to the plants of the State Electro-Technical Trust. In connection with the despatch of State Electro-

Technical Trust engineers to the plants of the General Electric Company, the latter undertakes to give them an opportunity to visit its factories, laboratories and designing departments for instruction and practical work.

In return for technical service furnished under this agreement the General Electric Company will receive from the State Electro-Technical Trust a share of the latter's total production turnover on operations connected with this arrangement. The agreement covers a period of five years.

At the expiration of the agreement term the State Electro-Technical Trust retains the right to use, without compensation, all the General Electric Company patents which were registered in the Soviet Union during the time the agreement was in force or which had previously been used by the State Electro-Technical Trust.

*Agreement between "Gomza" and the German firm of A. Borsig.*—An agreement made by the Board of Directors of the State Combination of Machine-Building factories in Moscow ("Gomza") with the German firm of A. Borsig, is intended to supply technical assistance in connection with the construction of refrigerating plants.

Under this agreement the "Gomza" organization obtains the exclusive right to build refrigerating plants on the Borsig system in the Soviet Union. The Borsig firm undertakes to elaborate and prepare the necessary plans and construction drawings. In setting up the refrigerating plants "Gomza" has the privilege of consulting the Borsig firm, which is to send its own engineers in case of need. The agreement runs for six years.

The patents and innovations of the Borsig company are to be furnished to "Gomza" without charge. The German organization is to accord the "Gomza" engineers an opportunity to become acquainted with the design and erection of its refrigerating plants.

*Agreement between "Mosmashtrust" and the Deutz Motor Company of Germany.*—In accordance with an agreement concluded between the Moscow State Machine-Building Trust ("Mosmashtrust") and the Deutz Motor Company, a German concern, the latter grants the Soviet organization the exclusive right to construct and install all motors of the Deutz system, with or without compressors, both for use as stationary engines and for operation as main or auxiliary engines on river and seagoing craft.

In connection with this agreement the German

company undertakes to furnish the Moscow State Machine-Building Trust with all the patents, models, drawings, and experimental and other data in its control with regard to the construction and installation of the motors in question.

The "Mosmashtrust" enjoys the privilege of sending its engineers to the Deutz plants for the purpose of studying production methods. In addition to this, at the request of the Soviet trust the Deutz Company must dispatch its expert engineers to Moscow to give instructions for the conduct of the work at the plants of the Moscow State Machine-Building Trust.

In return for the technical assistance supplied to it the "Mosmashtrust" is to pay the German firm an amount stipulated in the agreement.

The arrangement is to last for seven years. At the end of this period the Moscow State Machine-Building Trust retains the right to use thenceforth without compensation all the patents and manufacturing designs of the German firm which were utilized during the term of the agreement.

*Registration of American firm.*—The Amtorg Trading Corporation of New York has concluded with the Diamond Drill Carbon Company, an American firm, a consignment agreement, whereby the latter concern grants to the Amtorg organization the right to sell its drilling diamonds, as well as its diamond fillers and drilling appliances, in the Soviet Union.

The above-named American company was registered in pursuance of a decree passed by the Chief Concessions Committee on November 19, 1926, in order that the consignment agreement with the Amtorg Trading Corporation might be effected.

#### Passenger Service Concession

During the latter part of December the Council of People's Commissars of the Soviet Union approved an agreement made between the Soviet Merchant Fleet and the Cunard Steamship Company, Limited, the Holland-American Line, the Canadian Pacific Railway Company, and the Royal Mail Steam Packet Company.

Under this agreement the Soviet monopoly of the emigration and immigration service accorded to the Soviet Merchant Fleet will be operated by the mixed company "Russo-Canadian-American Passenger Agency."

It is the object of this company to furnish service and transportation within the limits of the Soviet Union to emigrants, immigrants and other passengers traveling to and from the Soviet Union. Its operations include also the sale and exchange of steamship, railway (foreign) and other transportation tickets for emigrants, immigrants and other passengers.

The company's capital stock amounts to £20,000.

Half of the shares belong to the Soviet Merchant Fleet, whose President acts as chairman of the Board of Directors of the company.

#### Photo and Motion Picture Film Concession

A concession agreement with the Société Nationale de Matières Plastiques, a French Company, was confirmed by the Council of People's Commissars of the Soviet Union during the latter part of 1926 and went into effect toward the end of November last. According to the terms of this agreement the concessionary firm is granted the right to manufacture cinematographic, photographic and roentgenographic film and photographic paper, as well as celluloid and artificial horn and all sorts of finished and semi-finished articles of the last-mentioned materials, in a factory located at Podmoskovnaya Station, near Moscow. The French concern binds itself to remodel the factory premises furnished to it not later than the building season of 1927.

The concessionary firm agrees to equip a department for the manufacture of celluloid products and to put it into operation within one year from the time the enterprise is turned over to it, to establish a department for the manufacture of photographic paper and artificial horn within two years, and to commence the construction of a new factory for the production of cinematographic and other film not later than the building season of 1927, so that it may be ready for productive operation by January of 1929.

The concessionary company is further bound to bring the annual output of celluloid and artificial horn articles up to 50,000 kilograms, photographic paper up to 150,000 kilogram, the production of artificial horn up to 100,000 kilograms a year, cinematographic film up to 20,000,000 meters, and celluloid up to 300,000 kilograms.

With a view to the proper initial outfitting of the plant, the concessionary firm is accorded the privilege of importing machinery and other equipment into the Soviet Union free of duty.

Taxes and duties are to be paid by the concessionary enterprise on the same basis as State undertakings operating on a business basis. Labor conditions in the concession plant are to be governed by the Labor Code and such legislation as has been passed or may be passed in the future.

The concession agreement is valid for 25 years, at the end of which the concession enterprise, in good working order, with all equipment intact and free and clear of all indebtedness, pass over to the Government without compensation.

As security for proper execution of the agreement the concessionary company has furnished the Soviet Government with a confirmed letter of credit through the Banque Nationale de Crédit

for the sum of twenty thousand United States dollars (\$20,000).

The agreement was signed in the name of the Soviet Government by Mr. Kuybyshev, Chairman of the Supreme Council of National Economy of the Soviet Union, and countersigned by Mr. Aralov, Member of the Collegium of the People's Commissariat for Foreign Affairs.

#### Gold Mining Concession

A new concession agreement, confirmed by the Council of People's Commissars, with four American citizens, D. A. Hammerschmidt, T. P. Lord, R. I. Eiswald, and E. Carlton Becker, went into effect on November 12, 1926.

Under this agreement the Soviet Government grants to the concession holders the right to conduct prospecting operations for placer gold on the territory of the gold mines in the Bureinsk region of the Amur Province in Eastern Siberia, upstream along the course of the Selemja River for a distance of 16 kilometers. The prospecting period is to last until March 31, 1928.

The agreement provides for an exploitation period of twenty years, commencing immediately after the completion of the prospecting operations.

#### Erection of Oxygen, Acetylene and Welding Plant in Baku

Preparations are under way for the erection of a large oxygen, acetylene and welding plant, on the American plan, in Baku, the Soviet oil city, by the International Oxygen Company, of Newark, New Jersey. I. G. Polonsky, representing the Soviet Metal Syndicate, is now in Baku making the final arrangements for the construction of the plant.

The International Oxygen Company has a concession for the construction and operation of a number of such plants throughout the Soviet Union, the first of which has already been completed in Moscow and will open in January.

For the purposes of the concession the International Oxygen Company has established a partnership with the Soviet Metal Syndicate, and operates under the name of the Russian-American Compressed Gas Company.

## Agricultural Progress

**E**ARLY in December during a visit to the third session of the Council of the Institute of Applied Botany and New Cultivations at Leningrad Prof. S. K. Chayanov, Director of the Experimental Department of the Commissariat for Agriculture of the R. S. F. S. R. (Soviet Russia proper) communicated the following information to the Soviet press:

The Soviet agricultural experiment stations have now succeeded in making some sorts of Volga wheat better than the American varieties. The best of these Volga grades are now rated at 117 points, while the best American grades rank no higher than 110 points. During the past year (1926), in view of the great demand, several million poods (one pood equals 36 lbs.) of selected Russian wheat, equal in quality to Manitoba No. 1, the best American grade, were exported from the Soviet Union. Over 2,500,000 bushels of selected grains from the new crop were acquired for distribution among the peasants.

A great achievement in national economy is the northward trend that is now taking place in cotton growing in the Soviet Union. The cotton area has advanced for the first time into the Astrakhan regions (at the mouth of the Volga), and into the following Caucasian regions: the Daghestan Republic and the Terek and Kura River areas. Experiments with the sowing of cotton have yielded excellent results. In the Astrakhan region it was found possible to get a crop of 1,200 to 1,330 pounds of unginned cotton per acre, while the average yield in the North Caucasus region was 800 to 1,070 pounds per acre.

At the same time the peasantry is showing increased interest in cotton growing. In 1925 there were only 50 cotton plantations in Daghestan, whereas their total had mounted up to 500 in 1926, and it is possible that the number will reach 1,000 during 1927.

#### New Variety of Winter Wheat

The Ukrainian Commissariat of Agriculture has recently forwarded to the Amtorg Trading Corporation, in New York, several hundred pounds of seed of a new variety of winter wheat, developed after several years of experimenting, which is expected to increase materially the yield per acre on Ukrainian farms. Tested on 18 peasant farms near Kiev, the new wheat gave an average of 45 bushels per acre, as compared with 34 bushels for other best grades. At ten experimental farms conducted by the Ukrainian Sugar Trust, the yield of the new variety was 32.3 bushels per acre, and in the Crimea it yielded 41.1 bushels. The average wheat yield throughout the

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Soviet Union last year was 12.5 bushels, which is higher than previous years.

The new variety has been named Ukrainka. The Amtorg Trading Corporation has sent seed samples to a score of Agricultural colleges and state experimental stations in the United States and Canada.

Ukrainka belongs to the wheat family known as *Triticum Vulg. Var. Erythrosperum*. Its protein content is 16.01 per cent as compared with 15.56 per cent for the next highest grade in the Soviet Union. Over 600,000 bushels of seed were distributed among Ukrainian peasants for sowing this fall.

### Cultivation of Tea in the Soviet Union

The growing of tea on the territory of the Soviet Union was first started about sixty years ago on the Black Sea coast in that part of Georgia which is called Adjara. In 1907 not more than 680 acres were used for tea growing; by 1914 the area had increased to 1,815 acres. The total area used at present for the cultivation of tea equals 4,400 acres which produce annually 720,000 to 1,800,000 pounds of dry tea leaves. Tea cultivation made great advances since 1922, when the Government of the U. S. S. R. took measures for the development of tea growing and the tea industry. Three quarters of the total area under tea cultivation are occupied by national estates and State farms. One of these estates in Chakva, near Batum, covering 1,480 acres, is almost as large as the entire tea area of 1914. Small peasant plantations are also developing.

In the course of 1926 three new tea factories were constructed. The Soviet tea industry is now in a position to work up the entire supply of green tea leaves. The production cost of a pound of tea is estimated at 20 kopecks (10 cents). A further development of the plantations and the construction of new factories are being contemplated.

### The Dnieper Superpower Plant

THE Amtorg Trading Corporation of New York, which represents the trading bureaus of several of the republics of the U. S. S. R. announced recently that Col. Hugh L. Cooper, accompanied by J. P. Ohsol, Vice-President of the Amtorg, had sailed for Moscow to discuss with the Supreme Economic Council a contract for the construction of the proposed superpower project on the Dnieper River, in Soviet Ukraine, which will be the largest hydroelectric development in Europe. The contract to be discussed is on the same general basis as that under which Colonel Cooper built Muscle Shoals.

Before sailing, Colonel Cooper discussed the pre-

liminaries of the contract with A. V. Prigarin, Chairman of the Board of the Amtorg. The project will be financed within the Soviet Union. For work during the current Soviet fiscal year ending Sept. 30, 1927, the Soviet Government has already appropriated \$2,000,000, and the Government of the Ukrainian Soviet Republic \$3,000,000. Arrangements are under way to raise another \$5,000,000 for this year by voluntary subscriptions in the regions to be benefited by the development. The total ultimate cost of the project is estimated at \$60,000,000.

Colonel Cooper paid a preliminary visit to the Soviet Union in the fall, and made a thorough inspection of the site of the projected development at Kichkas near Zaporozhye where the Dnieper has a drop of 115 feet.

In describing the plans, Mr. Prigarin said:

"The Dnieper project will rival Muscle Shoals as a gigantic development. The power plant will have an initial capacity of 150,000 horse-power, with an ultimate capacity of 650,000 horse-power. It will furnish power to the entire Southern Mining District of the Soviet Union in which is centered a large proportion of the heavy industry of the country, including the famous iron mines of Krivoi Rog, and the manganese fields of Nikopol.

"The Dnieper project includes the building of an irrigation system to bring water to millions of acres of arid land, the extension of the navigable portion of the Dnieper for hundreds of miles, across the borders of White-Russia, and the construction of a railway from Krivoi Rog to the Dnieper."

A commission of Soviet engineers who have been working on the Dnieper plans for five years, made a trip to the United States last summer, visiting all the principal hydroelectric plants.

### Soviet Exports and Imports

FOREIGN trade of the U. S. S. R. for November, 1926, showed the most pronounced favorable balance of any month for several years. Exports were \$34,093,000 and imports \$20,085,000, leaving a favorable balance of \$14,008,000. The aggregate favorable balance since September 1 has been nearly \$20,000,000. The figures are for European frontiers only.

While there was a healthy gain in exports for the month, there was a sharp falling off of imports, particularly in consumption goods, though imports of machinery continued their steady increase. Agricultural exports for the month amounted to \$22,402,500 as compared with \$14,935,000 for November, 1925, an increase of 51 per cent. Wheat exports were \$10,557,500.

### Purchases of American Agricultural Machinery

Large purchases of American agricultural machinery for the spring sowing campaign in the Soviet Union were effected recently by the Amtorg Trading Corporation of New York, which represents the trading bureaus of several of the republics of the Soviet Union. The purchases aggregated \$4,500,000 and included 5,000 tractors bought from the Ford Motor Company and the International Harvester Company, as well as plows, harrows, drills and other implements and spare parts. Selskosojus, Inc., of New York, the trading agency of The Russian Agricultural Cooperatives, participated in the purchases.

The agricultural machinery and implements were to be shipped to the Soviet Union at the end of January and early in February in three steamships specially chartered by the Amtorg Trading Corporation.

In discussing the purchases, Mr. Paul J. Ziev, President of the Amtorg, stated that the new shipments of tractors would make a total of 27,000 shipped to the Soviet Union by Amtorg during the past two and a half years. "Upwards of 30,000 tractors will take part in the spring plowing, as compared with about 1,250 three years ago," said Mr. Ziev. "Over 98 per cent of the tractors are of American manufacture."

### Exports of Cement

Exports of cement from the Soviet Union during the Soviet fiscal year ending September 30 last broke all Russian records, being nearly six times the pre-war rate. The exports for the fiscal year were 38,482 metric tons, as compared with 30,078 metric tons in 1924-25 and 6,903 metric tons in 1913.

### Jewish Agricultural Settlement in the Soviet Union

**T**HERE are 3,000,000 Jews in the U. S. S. R. Out of a total population of approximately 145,000,000. The Jews constitute 10 per cent of the country's urban population. The Ukraine has 1,900,000 Jews, White Russia and the R. S. F. S. R. (Soviet Russia proper and Siberia) count 500,000 each, and the remaining 100,000 live in the Transcaucasian and Central Asiatic Soviet Republics.

Of the entire Jewish population of the Soviet Union about 10 per cent belong to the well-to-do class, about 50 per cent are workers, clerks, peasants, handicraft ("kustar") workers and small tradesmen, while about 40 per cent lead a semi-mendicant existence.

On January 1, 1925 there were 120,000 Jewish workers and 180,000 Jewish clerks in the Soviet trade unions. The Jewish workers and their

families in the Soviet Union aggregate 300,000 persons, while the Jewish clerks and their families constitute about 500,000 persons. In addition to this there are about 50,000 Jews at present among the unemployed. Altogether the Jewish workers and clerks with their families thus make up a total of 850,000 persons.

The Jewish laboring population is concentrated mainly in the Ukraine and in White-Russia.

The Jewish handicraft ("kustar") workers together with members of their families amount to about 900,000 persons. They are found almost entirely in the Ukraine and in White Russia.

The petty Jewish tradesmen with their families aggregate up to 800,000 persons. These small Jewish tradesmen are for the most part crowded in a comparatively small number of cities and towns in the western belt of the European part of the Soviet Union. A study of their budgets has shown that in most cases their entire income amounts to less than the wages of a common laborer.

The Jewish families belonging to the middle and upper strata of the bourgeoisie in the Soviet Union include about 300,000 persons. They are located chiefly in the large cities.

The Jewish peasant population throughout the Soviet Union now totals 150,000. Experience has demonstrated that the Jewish farmers gradually succeed in this occupation and that after a year or two their cultivation and crops are as good as those of neighbors who have long been rooted in peasant life. In general, two thirds of the Jews who take up agriculture remain permanently attached to farming life.

### Kalinin on Jewish Agricultural Settlement

On November 17, 1926, Mr. M. I. Kalinin, President of the Central Executive Committee of the Soviet Union, delivered the following address at the First All-Union Congress of the Jewish Agricultural Labor Society ("OZET"):

"Scarcely in any other country is a congress of Jewish peasants possible. This congress is highly characteristic of our Union, the only land where each nationality is guaranteed liberty of existence and development.

"Tsarism strove to 'assimilate' the Jews and toward this end persecuted them. The Soviet Government does not oppress any nationality, and it does not need to assimilate the Jews. The Soviet Government endeavors to liberate the toilers of every nationality from all forms of oppression, including national oppression.

"The November Revolution, having brought freedom to the workers and having proclaimed their liberation, simultaneously dealt a painful blow to the poor Jews dwelling in the cities and towns and engaged in petty trade and handicraft.

"Nine years have passed since the day of the

November Revolution; many national entities have organized themselves on the territory of our Union; small nationalities, formerly almost crushed out, have developed their national life and attained territorial unity. The Jewish population, which is well cultured on the average, must occupy a definite position in the structure of the country."

Later, in analyzing the origin of anti-Semitism, Mr. Kalinin said:

"Anti-Semitism, which is prevalent in all bourgeois countries, develops on the basis of capitalist competition.

"The remnants of anti-Semitism in our country rest upon old prejudices not yet discarded since the Tsarist period and they are found principally in the cities among the petty bourgeoisie and the intelligentsia.

"The aspiration to preserve its own nationality is characteristic of every people, and the settlement of the Jews on the land, a movement dictated by economic necessity, is, in my opinion, likewise fostered ideologically by the subconscious desire to maintain the national existence."

Turning to an evaluation of the accomplishments of the toiling Jews in agricultural life, Mr. Kalinin continued:

"The successes which we have achieved in the settlement of the Jews are, of course, microscopically small as yet. Indeed, it could not be otherwise. The creation of a national territory with a peasant basis is a colossal undertaking. Farming never yields quick success. All great tasks require great efforts. Before the Jewish working people a great task has been placed—to transform a considerable part of the Jewish population into a peasant, agricultural mass and thereby preserve its nationality. The Government cannot expend large amounts on this work, but on its part it is allotting appropriate sums and granting the necessary land. In selecting a locality we have been guided by the habits and characteristics of the Jewish people and we have designated for colonization those lands which best fitted its habits. Some are under the impression that the areas in the Crimea placed at the disposal of the Jews are the best and most productive in the Union. This is not so. The land furnished to the Jews is very difficult to till, its agricultural conquest requiring great labor and expense, and it was allocated to the Jews because if we contemplated settling any other nationality upon it, we would not have had sufficient resources. The settlement of the Jews on these lands is facilitated by the fact that the work is subsidized in a large measure by the Jewish capitalists abroad.

"For the Soviet Union it is intolerable that Jewish workers should leave a proletarian country to seek their happiness somewhere else. The Soviet Union must be the fatherland of all the

workers, including the Jews, and a better fatherland than any Palestine.

"Among the Jews and the Russians there is a misconception that the homeland of the Jews is not Russia but Palestine. The Jewish people have lived on Russian territory for a thousand years. The Jews, in the same degree as the Ukrainians and the Russians, have the right to consider the Soviet Union their fatherland, their socialist fatherland. We have no fear of 'national predominance' because in forging its own happiness the Jewish people forges the happiness of the Soviet Union. The Jews engaging in agriculture in the Crimea are not competing with anybody, but they are creating new material wealth for the benefit of the Soviet Union.

"Agricultural labor—a palpably productive form of labor—will definitely establish equality of rights for the Jews in all branches of labor.

"As yet the Jews have a very small homeland. But there is one 'township' already, there is a territory, there is a foundation. In all spheres of social life, in politics, in science the Jews are not in last place. I have no doubt that in the agricultural field they will likewise not occupy the last place.

"The Government considers the settlement of the Jews on the land extremely important, and I venture to say in the name of the Soviet Government that if the foreign capitalists should cease to aid this enterprise, the Soviet Government could not do otherwise but assist it and would, within the limits of its capacity, promote the colonization of the toiling Jews.

"Permit me to greet the Jewish agricultural population through this congress. I beg you to convey to the Jewish farmers my wishes for their success. Tell them that they are confronted with colossal difficulties. It is altogether natural that, being for the most part city people, they will find it hard to master the burdens of agricultural labor. Yet let them not be discouraged, for the significance of the work they do is enormous."

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# Foreign Relations of the Soviet Union

**I**N an interview with press representatives at Berlin on December 6, 1926, Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, made the following statement regarding the foreign policy of the Soviet Union:

"An article signed 'Augur', in the December issue of *The Fortnightly Review* discusses a united front of the European Powers against the Soviet Union. The ties of friendship between Germany and the Soviet Union are now strong enough to inspire complete confidence. Nevertheless, the dangerous character of the tendencies expressed in the article by Augur should be emphasized. Poland enters into the structure of the united front against the Soviet Union as conceived by Augur. Furthermore, the settlement of the differences between Poland and Germany is a necessary prerequisite to the creation of this united front. According to Augur, England is the leader of the Great Powers of Europe. If this program should find acceptance on the Continent, it would constitute the greatest menace to peaceful development. Despite the reiterated and reassuring declarations by the official representatives of British diplomacy, they are proceeding against the Soviet Union at every step, on every sector of the political front, precisely in the spirit of the Augur's reasoning. The alleged hostility toward England ascribed to the Soviet Union by the British belongs to the same category of cases as those envisaged by the old French saying: 'That's a very evil beast; it defends itself when attacked.' The decisive fact remains, however, that the Soviet Government has extended and still extends the hand of peace to England, but this hand has been left in the air. The policy of encirclement being pursued toward the Soviet Union is a brutal fact, and the Soviet Government is struggling against it not without success.

"The vital interests of the small nations constituting the Soviet Union's neighbors on the west so manifestly demand the conclusion of security treaties that sooner or later, with or without delays, this aim, which is more important for these neighbors than for the Soviet Union itself, will be attained. As far as possible we shall go out to meet the Baltic States half way, but the Soviet Government cannot abandon the principle which forbids it to conclude arbitration treaties. There is no doubt that sooner or later all the Baltic States will conclude security treaties with the Soviet Union containing no arbitration clauses.

"The greatest importance may be attributed to the Soviet treaty with Lithuania, since to a considerable extent it is bound to assist in stabilizing the situation in Eastern Europe. This treaty with

Lithuania in no way encroaches upon the Riga Treaty between the Soviet Union and Poland, but Lithuania, too, has the right to live. There are more difficulties in our relations with Poland. The Polish Government invariably carries on its negotiations with the Soviet Union in such a way as to have them result in a collective East-European security treaty. In other words, Poland wishes to get a protectorate over the Baltic States. This is the chasm which separates the Soviet Union from Poland at the present time. Augur's program, which is being put forward by the antagonists of the Soviet Union, is founded upon the exploitation of this disagreement to the detriment of the latter. However, the Soviet Government's policy toward Poland is entirely peaceful in character.

"Augur's article also shows what influences are striving to act upon Germany's policy. Undoubtedly, the Government and public opinion of Germany will give these influences the sharpest rebuff. Since the time of my previous sojourn in Berlin the Soviet Union's relations with Germany and its international position have been consolidated, notwithstanding the efforts of the opposing camp. The Soviet-German treaty and the negotiations concerning German credits for the Soviet Union, which were in a preliminary stage last year, have now been realized. The political relations of the two nations have thereby been completely adjusted, and at the same time a profound and powerful economic bond has been established between them.

"Franco-Soviet relations have improved noticeably in comparison with the previous year. The economic negotiations with France are of so complex a nature that it should not occasion surprise if they require a long time. It is gratifying to observe that commencing with the years 1924-25 the international importance of the Soviet Union began to be more clearly understood in France. The Soviet Union's political relations with France have become much more satisfactory, and it must be remarked that they can cause no injury to any third power. However, it cannot be said that these relations are altogether unclouded. Thus, for example, an element of discord is introduced by the French attitude toward Rumania, as is also the case with the corresponding policy of Italy, which is on good terms with the Soviet Union.

"The Soviet program—the conclusion of direct security treaties with individual countries—is being gradually realized, and in this alone can the Soviet Government see a guaranty of peace. I cannot refrain from Homeric laughter when various wiseacres endeavor to convince us that entry

into the League of Nations is a provision against isolation and some sort of guaranty. In our view presence in the League of Nations does not increase safety, but decreases it, and does not diminish isolation, but makes for greater dependence and in the final analysis augments the strength of the power which, in the words of Augur, is the foremost in Europe. The Soviet Union will not let itself be lured into this trap. Whoever continues to assert that the Soviet Union will enter the League of Nations is, to put it mildly, simply distorting the truth.

"The Soviet Union has also concluded security treaties in the East—with Turkey and Afghanistan. The strength and depth of the Soviet Union's friendly relations with Turkey were demonstrated to the whole world at Odessa, where my Turkish colleague and I reached complete uniformity of views upon all questions of international relations. The difficulties which the Soviet Union has with Persia in economic affairs along with the most amicable political relations, are on the way to an entirely satisfactory adjustment. Whereas the 'Near East and India,' a paper in close touch with the British Colonial Department, recently considered with brutal frankness the possibility of stirring up the wild tribes against the Persian Government and simultaneously employing other measures of the same sort if the Persian Government did not act at the behest of England, the English press and English agents declare the Soviet Union to be responsible for such uprisings, when they really materialize. The Soviet Government's attitude toward the Persian Government is altogether friendly and absolutely trustworthy.

"The historical significance of the amazingly rapid development of Chinese democracy, whose standard-bearer is the Kuomintang, has now become clear to everybody. At whatever pace events may develop in the future, present South China represents in any case the Chinese Republic of tomorrow. The Soviet Government has not intermeddled in Chinese affairs, but it is on friendly terms with the Canton government and it rejoices in the successes of its friends. Chang-Tso-Lin may make attempts to infringe upon the rights of the Soviet Union in the Chinese-Eastern Railroad, but he cannot hold back the historical development of China, and the Soviet Government is also determined not to abandon its rights.

"Augur and the astonishingly narrow conservatives who share his ideas think that the Soviet Government is the fountainhead and cause of the strikes in England and the nationalist movement in China. If a political party is so blind to reality, it has evidently no future.

"The Soviet Union is living through a period of quiet, incessant and irrepressible growth, and peace is its fundamental dictate, while the gradual improvement and consolidation of its relations

with other nations is the substance of its policy. The course by which we are moving ahead and escaping isolation, consists in the establishment of amicable political relations and constantly growing economic ties, and not in falling headlessly into the League of Nations trap. Economic relations are creating an ever firmer basis for the Soviet Union's political relations. I may state quite definitely that Germany is moving ahead of other European nations on the road to the development of economic relations with the Soviet Union."

#### A Warning from Poland

Under the heading "A Warning from Poland," the Moscow "Pravda" of December 4, 1926, published the following editorial:

On the eve of the arrival of the new Polish Envoy in Moscow, who is authorized to negotiate with us the conclusion of a non-aggression pact, two newspapers, particularly close to Pilsudski, published articles which are quite extraordinary as regards their contents and the frankness of their tone.

These articles declare without circumlocution and concealment that Poland should not and could not remain within her present borders, that she must seek an extension of her possessions to the East, "beyond the Bug" and "beyond the Niemen", where territories are situated that once, that is, prior to the first partition of Poland in 1772, constituted parts of that state.\* One of these papers which was arguing this great-power thesis at great length, is connected with the Polish War Department which is headed by Marshal Pilsudski. The other paper which found it necessary to add the reservation that it conceived the execution of these expansionist plans in the form of an "agreement" with the peoples living across the eastern border of Poland, i. e., our White-Russians and Ukrainians—is also an organ of the same Pilsudski, published for the civilian population.

Thus the present dictator of Poland declares openly and simultaneously through the columns of both of his press organs, that his old dreams of reestablishing the frontiers of 1772 which he tried to realize through his invasion of 1920, far from having been abandoned by him, still constitute a basic part of his political projects for the future. True, he declares through his military organ that "Poland does not dream of conquests, but is only guarding her present frontiers." But he immediately adds with circumspection the words "for the time being", and makes transparent hints as to the conditional value of treaties

\* These territories are inhabited solely by Ukrainians and White-Russians.

(i. e., the Peace Treaty of 1921, and the forthcoming non-aggression pact). It was hardly possible to declare it more explicitly that at the present time, in December, 1926, Poland is not prepared for war as yet, but that she is preparing for it, and that under more favorable circumstances she will not fail to resort to that "last argument of kings."

We assume that our public will be sincerely grateful to the Marshal for so frank a statement of his future plans. It would be of course naive to accuse us that we are not watching carefully what is going on across our western frontier. We took due note of the significance of the entente cordiale concluded in Nieswiez between Pilsudski and the landed nobility which has lost its vast holdings in our Soviet republics, and since that time has never ceased to dream of their recovery. We also understand quite well the significance of the measures undertaken by Pilsudski to satisfy the "cultural" needs of the national minorities on the outskirts of Poland, as a means of securing their loyalty and perhaps even their active collaboration in the case of war with the Soviet Union. We also appreciate the tactical skill with which he is trying to split off and to bring over to his side that part of the large scale industries which can only benefit by war and by the extension of Poland's territory due to the lack of other markets. We are, of course, well aware of all of this as well as of many other things, and have taken due note of them. But, as anybody can convince himself, if it were only by reading our papers, we do not for a moment exploit all these quite significant facts for the purpose of fanning chauvinist and especially anti-Polish sentiments; on the contrary, we have in every way supported the efforts of our diplomacy somehow to arrange Soviet-Polish relations, so that the two peoples may work peacefully side by side.

With this aim in view the peoples of the U. S. S. R. have all the time unreservedly supported the idea of the conclusion of a pact between the two governments concerning non-aggression and the maintenance of neutrality in the case of a conflict of one of the contracting parties with third parties, endeavoring at least in this way to thwart the plans of the Polish imperialists. The Polish Government itself, beginning with the time of Count Skrzynski and ending with Mr. Zaleski, the present Minister for Foreign Affairs, apparently supported our endeavors by repeated declarations as to its eagerness for peace and its desire to conclude a pact of friendship with us. We are now compelled to draw the conclusion that all these assurances referred only "to the present moment", that for the spokesmen these assurances as well as the pact to be concluded were only of temporary importance, and that, in general, Poland in her negotia-

tions with us wants only a breathing space until the moment when from the political and military point of view she will be ready to march "across the Bug" and "across the Niemen."

These frank admissions constitute a full confirmation of everything that has been said in our press concerning the activities of Polish diplomacy in the Baltic countries and the plans which Pilsudski is entertaining with regard to Lithuania, on the one hand, and with regard to Germany, on the other. It becomes quite obvious that Poland cannot be pleased with the conclusion of agreements between us and the Baltic republics, which would guarantee the non-participation of the latter in hostile combinations arranged by third countries, and would assure their neutrality in case we should be attacked by a third party. It is obvious that Poland must be anxious to have some support against us on the part of our common Baltic neighbors in the event of her military advance beyond the Bug and the Niemen. That is the reason why she is trying so hard to bring about a rupture of our negotiations with the Baltic republics; and, to tell the truth, her efforts do not seem to be without success, for, apparently, the Baltic republics are likewise being tempted by the idea of a possibility of snatching away some of our territory in the case of a general conflagration.

Similarly, it becomes clear that Pilsudski, anxious to strengthen the Polish rear during his attack in the East, has from time to time been launching trial balloons in the direction of Germany and the Western powers, by hinting at the idea of Poland renouncing the famous "Corridor" in exchange for the annexation of Lithuania and Memel in one form or another. As far as can be seen, this idea does not meet with particularly strong opposition on the part of Germany or of the western powers; it rather meets with resistance on the part of the Polish public which eagerly hails the idea of "reuniting" Lithuania with Poland, but clings just as greedily to the "Corridor" and Danzig. It still has to be educated and accustomed to this idea—and only after this has been attained will the necessary prerequisite be achieved for the sake of which the march across the Bug and the Niemen is being postponed "for the present." Though all this was quite clear before, it is now being confirmed by the frank utterances of Pilsudski's mouthpieces, because it fits completely into the framework of the plans announced by them.

All in all, from now on we cannot have even a shadow of doubt as to the real intentions of the Poland of Pilsudski. Whatever her diplomats may tell, we must be aware of the fact that she is preparing to "expand" at the expense of the Soviet Union and that the goodneighborly words with which she treats us from time to time are in-

tended only to deceive our watchfulness. Nor are we going to rely solely upon the fact that, objectively speaking, the war will be quite a dangerous game for Pilsudski and his political friends.

It is true that the finances of Poland are in a desperate condition and that the temporary improvement brought about in her economic situation, thanks to the British coal strike, will come to an end now that the strike has been terminated. It is also true that the so-called "national" policy in the border regions, which has placated the petty bourgeoisie by the granting of "cultural" concessions, will by no means placate the peasants who, first of all and above all, clamor for land which that very same nobility that has just concluded an alliance with Pilsudski, is not going to give them. It is possible that a part of the working class, too, after having recovered from the May spree,\* and having emancipated itself from the ideological influence of the Polish Socialist Party † would not support Pilsudski's military adventure. All this is true, but it does not reduce the menace of an attack directed against us even as early as the forthcoming spring, for Poland is not a republic modeled after the principles of Plato, which is ruled by philosophers and scholars, but a very ordinary state controlled by the bourgeoisie and the landed nobility, where an unbridled hunger for territory and nationalist romanticism reign supreme, an objective analysis being beyond their reach. Such an analysis may serve us as an indication that by undertaking war, Poland will break her neck, but it should not delude us with the hope that it will be just as well understood by Pilsudski.

We believe that the words of the Polish press have given us a perfectly clear warning, and it would have been childish of us not to take proper note of it.

## Foreign Parcels to the U. S. S. R.

**N**EW regulations concerning the shipment of parcels to the Soviet Union have been issued recently by the Chief Customs Administration of the People's Commissariat for Trade. They went into effect on November 1, 1926, and apply only to parcels shipped for the personal use of the addressee and not to those intended for commercial purposes. The regulations as well as the list of articles which may be shipped without license from the Commissariat for Trade, are as follows:

1. The admission from abroad, without presentation of an import permit from the People's Commissariat for Trade, is authorized for items enumerated in the list below, in standard quantities specified in the list, provided they are im-

ported in postal parcels not intended for commercial purposes (as per Section 3), the gross weight of each parcel not to exceed 5 kilograms.

2. Parcels containing articles referred to in Section 1 within the limit of the stipulated standard quantity, are admitted subject to the payment of the customs duty at the rate prescribed by the tariff; should the parcel contain the articles mentioned under Section 1 in quantities exceeding the stipulated standard, but not more than double the same, the parcel is admitted subject to the payment of the tariff duty for the quantities contained within the standard, and a fivefold duty for the quantities exceeding that standard.

3. In the following cases postal parcels are deemed to be commercial (as per Section 1): (a) parcels forwarded by one commercial firm to another commercial firm; (b) parcels sent to the address of a commercial firm or a commercial enterprise; (c) parcels forwarded by a commercial firm, even if the addressee is a private party; (d) those parcels which show signs of specially organized shipments, on a large scale, or in a systematic or uniform manner, even though they are addressed to different individuals, and the individual consumption standard is observed in every parcel.

4. Parcels addressed to State or cooperative organizations, are permitted to enter without an import license from the People's Commissariat for Trade, only in case they contain samples which are not of a commercial nature.

Permits from the licensing authorities of the People's Commissariat for Trade are not requested in the case of the shipment of foreign parcels addressed to Universities (University clinics, as well as scientific studios and laboratories), and other scientific and higher educational establishments, as well as scientific laboratories and studios connected with them, which possess scientific equipment, books, apparatus and instruments, necessary for scientific and educational purposes.

The parcels mentioned in this paragraph (4) are released from the customs house against a written statement by the recipient to the effect that they will not be sold.

5. Parcels which do not come up to the requirements stipulated in paragraphs 1, 2, and 4, are admitted only against the presentation of a permit from the People's Commissariat for Trade, otherwise they are returned to the foreign country of origin.

The list of articles that may be shipped to the Soviet Union without license from the Commissariat for trade follows:

Rice—Not more than 5 kg. Duty—6 rubles per 100 kg.

Flour, malt and all kinds of grits—not more than 5 kg. Duty—2.75 rubles per 100 kg. of flour and malt, and 3.70 rubles per 100 kg. of grits (prepared mechanically), and 7.40 rubles per 100 kg., if prepared in any other

\* Pilsudski's military coup of May 12, 1926.

† Organization supporting Pilsudski's imperialist policy.

way (plus 10 per cent if sent in special containers, packages, boxes, etc.).

Potato flour and all kinds of starch, vermicelli, macaroni, arrowroot and maizena, dextrine, sago—not more than 5 kg. Duty—18 rubles per 100 kg. (10 per cent more if sent in special containers, boxes, packages, etc.).

Dried vegetables—not more than 5 kg. Duty—For those not separately mentioned—9 rubles per 100 kg. For artichokes, asparagus, Brussels sprouts, green peas, green beans, salads, spinach, melons—whether fresh, preserved or dried—43 rubles per 100 kg.

Lemons, citrons, oranges, tangerines, pineapples, bananas, peaches, apricots and grapes—not more than 5 kg. Duty—Pineapples, bananas, peaches, apricots and grapes, 100 rubles per 100 kg. Fresh lemons and citrons—12 rubles per 100 kg. Oranges and tangerines—24 rubles per 100 kg.

Dates and figs, fresh and dried (not preserved); as well as dried fruits and berries (not preserved)—not more than 5 kg. Duty—100 rubles per 100 kg. for dates and figs; 80 rubles per 100 kg. for fresh and salted fruits and berries and 74 rubles per 100 kg. for dried (not preserved) fruits and berries.

Capers, olives and ripe olives: Capers—not more than 1 kg. Olives—not more than 5 kg. Duty—For capers and olives, 50 rubles per 100 kg. For ripe olives, 30 rubles per 100 kg.

Aniseed, caraway seed, coriander—not more than 1 kg. each. Duty—0.20 rubles per 1 kg. St. John's bread—not more than 5 kg. Duty—75 rubles per 100 kg.

All kinds of nuts—not more than 5 kg. Duty—18 rubles per 100 kg.

Mustard seed (whole)—not more than 5 kg. Duty—30 rubles per 100 kg.

Foodstuffs, shipped in hermetically sealed containers, (except those mentioned separately) vegetables, fruits and berries in oil and vinegar, prepared mustard, soy, and other condiments, pasties, shipped in any packing—not more than two units (jars, cans, etc.) of each commercial brand. Duty—74 rubles per 100 kg.

Mushrooms, not more than 5 kg. Duty—Fresh and dried mushrooms, 25 rubles per 100 kg.; in vinegar and oil, and dried truffles, 305 rubles per 100 kg.

Spices—not more than 50 grams of each brand. Duty—vanilla and saffron, 50 rubles per 1 kg.; cardamon, mace, nutmeg, 4 rubles per 1 kg.; cloves, cinnamon, pepper, ginger, star-anise, marjoram, bay-leaf and other spices not mentioned separately, 2 rubles per 1 kg. On all spices imported in the form of powder, an additional duty of 50 per cent is imposed.

Coffee—not more than 5 kg. Duty—Coffee, raw in the bean, 75 rubles per 100 kg. Roasted, in the bean or ground, and all kinds of substitutes (ground or compressed), 120 rubles per 100 kg.

Cocoa in the bean and cocoa husks—not more than 5 kg. Duty—Raw cocoa, 100 rubles per 100 kg. Roasted, 175 rubles per 100 kg. Ground (unsweetened), 250 rubles per 100 kg. Sweetened, 500 rubles per 100 kg.

Tea in small parcels up to 0.4 kg.—not more than 5 kg. Duty—148 rubles per 100 kg.

Tobacco—not more than 1 kg. Duty—Cut tobacco, 12 rubles per 1 kg. Cigars and cigarettes, 30 rubles per 1 kg.

Sugar—not more than 5 kg. Duty—Brown sugar, 18 rubles per 100 kg. Refined sugar, 27.50 rubles per 100 kg.

Honey (comb-honey and extracted honey), sirups, molasses, starch sugar, maltose and malt extracts—not more than 5 kg. Duty—25 rubles per 100 kg. Articles listed under this head are taxed according to the rates of the subsequent paragraph, if they are mixed with other substances improving their taste.

Confections and preserved fruits and berries—not more than 5 kg. Duty—215 rubles per 100 kg.

Fruit and berry juices and sirups (nonalcoholic)—not more than 5 kg. Duty—91 rubles per 100 kg.

All kinds of vinegar, except aromatic vinegar—not more than 5 kg. Duty—40 rubles per 100 kg.

Mineral and aerated waters—not more than 5 kg. Duty—15 rubles per 100 kg. (including weight of container).

Kitchen salt—not more than 5 kg. Duty—2.75 rubles per 100 kg. Refined table salt, 5.50 rubles per 100 kg.

Meat and meat products—not more than 5 kg. Duty—Meat, sausages and bacon, 9 rubles per 100 kg.; canned meat and meat extracts, 18 rubles per 100 kg.

All kinds of cheese—not more than 5 kg. Duty—Dutch cheese, 55 rubles per 100 kg., and 74 rubles per 100 kg. of all other brands.

Butter (made of cow's and sheep's milk)—not more than 5 kg. Duty—24.50 rubles per 100 kg.

Fish and caviar—not more than two containers of each commercial brand of canned fish. Duty—All kinds of canned fish, 122 rubles per 100 kg.; caviar, 244 rubles per 100 kg.

Oysters, crabs, snails, etc.—not more than 5 kg. Duty—305 rubles per 100 kg.

Foodstuffs not separately indicated—not more than 5 kg. Duty—3 rubles per 100 kg.

Bed pillows, feather-beds, mattresses stuffed with feathers, down, hair, etc.—not more than 5 kg. Duty—74 rubles per 100 kg.

Bath-sponge—not more than 0.5 kg. Duty—122 rubles per 100 kg.

Cod liver oil—not more than 5 kg. Duty—27.50 rubles per 100 kg.

Vaseline—not more than 1 kg. Duty—40 rubles per 100 kg.

All kinds of candles, torches, wicks—not more than 1 kg. Duty—61 rubles per 100 kg.

Leather articles—not more than one pair of shoes; not more than two pairs of gloves; not more than one piece of any other leather article. Duty—(1) Boots and shoes of every description, except those separately designated, finished or partly finished, 25 rubles per 1 kg. (2) Leather boots and shoes up to 500 gm. per pair, and also those made of silk, half-silk, tinsel, in combination with leather, finished or partly finished, 50 rubles per 1 kg. (3) All kinds of leather gloves, 70 rubles per 1 kg. (4) Small leather articles up to 410 gm. per piece, such as ladies' wallets, purses, money-bags, portfolios, cigar cases and pocketbooks, even if partly made of other materials (provided they do not belong to the class of valuable fancy goods), 25 rubles per 1 kg. (5) Valises, trunks, bags and similar articles, hunting supplies made of leather, heavy jute and hemp fabrics, if combined with leather; all other leather articles, not specifically mentioned, even if they contain parts made of metal or other materials (unless they are to be classified as valuable fancy goods), 25 rubles per 1 kg.

Plants and their parts—not more than 5 kg. Duty—For medicinal plants not cut up, 6 rubles per 100 kg.; cut up, 61 rubles per 100 kg. Seeds—1.50 rubles per 100 kg.\*

Pottery articles, for table service only—not more than 5 kg. Duty—Plain articles (or with unicolor ornaments), 6 rubles per 100 kg. With multicolor ornaments, 18 rubles per 100 kg.

Crockery articles, for table service only—not more than 5 kg. Duty—Between 21 and 61 rubles per 100 kg.\*

China, for table service only—not more than 5 kg. Duty—Various rates between 61 and 366 rubles per 100 kg.\*

Glass articles, for table service only—not more than 5 kg. Duty—Between 9 and 366 rubles.\*

\* More particulars will be communicated by the Soviet Union Information Bureau upon request.

Medical preparations in quantities indicated in the medical prescriptions. Duty—Various rates.\*

Complex pharmaceutical preparations in doses, and other medical preparations in quantities shown in medical prescriptions. Duty—Various rates.\*

Vegetable oils—not more than 1 kg. Duty—All kinds of vegetable oil, 18 rubles per 100 kg.; coconut and palm-kernel oil, 9 rubles per 100 kg.; palm oil, 6 rubles per 100 kg.

Fragrant waters without any admixture of alcohol—not more than 1 bottle. Duty—10 rubles per 1 kg.

Cosmetics and aromatic substances—not more than one article of each denomination, weighing altogether not more than 500 grams. Duty—Between 70 and 175 rubles per 1 kg.\*

Soaps—not more than 1 kg. Duty—Toilet and medical soap, whether liquid, in powder or in cakes, 7.5 rubles per 1 kg. gross weight.

Flint-stones for tinder-boxes (pyrophoric alloys)—not more than 50 grams. Duty—75 rubles per 1 kg.

Colors for miniature painting in cakes, in powders, on shells or saucers, in tubes and capsules, Indian ink—not more than 200 grams of each color. Duty—183 rubles per 100 kg.

Lacquer and oil colors, inks, shoe paste and polish—not more than 1 kg. of each denomination. Duty—152 rubles per 100 kg.

Gold, silver, platinum and articles thereof—not more than two articles of each denomination. Duty—Various rates.\*

Needles—not more than 50 grams. Duty—Sewing machine needles, etc., 7.50 per kg.; sail needles, knitting, embroidery and crochet needles, 2.50 rubles per 1 kg.

Cutlery—not more than one article of each denomination; not more than 3 doz. of safety razor blades. Duty—244 rubles per 100 kg. Razor blades, 100 rubles per 1 kg. Cutlery, platinum, gold or silver plated, or of aluminum, or mounted on mother of pearl, tortoise shell, ivory, 549 rubles per 100 kg.

Firearms (for hunting), cartridges, percussion caps, bullets and accessories for hunting firearms—not more than 5 kg. Duty—Firearms and accessories, 5 rubles per 1 kg. Ammunition, 3.75 per 1 kg.

Agricultural implements of cast iron, wrought iron and steel, even if parts of them are made of other plain materials—not more than 5 kg. Duty—Scythes, sickles, chopping knives (for straw), 9 rubles per 100 kg. Shovels, pick axes, rakes, hoes, etc., 18 rubles per 100 kg.

Scales, parts of scales, and small weights—not more than 5 kg. Duty—55 rubles per 100 kg.

Eye glasses and pince-nez—one pair of each. Duty—2.50 per 1 kg.†

Writing paper in boxes, envelopes, sensitized paper—not more than 1 kg. Duty—For writing paper and envelopes, 100 rubles per 100 kg. Sensitized paper, 5 rubles per 1 kg.

Books, magazines, pictures, maps, music sheets, etc.—2 copies of each. Duty—Pictures, maps, music sheets, 100 rubles per 100 kg. if printed on paper; free of duty if hand-made on paper or canvas. Books, magazines, etc., in Russian, Ukrainian or other languages of nationalities inhabiting the Soviet Union, 55 rubles per 100 kg. In foreign languages, no duty.

Absorbent and antiseptic cotton—not more than 1 kg. Duty—62 rubles per 100 kg.

Knitted and plaited articles. Gloves—not more than 3 pairs. Knitted upper garments—not more than one set. Underwear—not more than 6 sets. Socks and stockings—

not more than 6 pairs. Other articles—not more than one piece of each denomination. Duty—50 rubles per 1 kg.

Underwear and clothing, made of fabrics, semi-finished or finished. Clothing—not more than one set. Underwear—not more than 6 sets. Suspenders—not more than 2. Neckties—not more than 6. Duty—Underwear, cotton or linen, without ornaments or trimmings, 12 rubles per 1 kg. Same trimmed with laces, etc., 58.60 rubles per 1 kg. Men's clothing, cotton or linen, 14.70 rubles per 1 kg. Men's woolen clothing, trimmed or untrimmed, 50 rubles per 1 kg. Women's and children's apparel and other articles of clothing, except those specially mentioned, of any kind of fabric, except silk and half-silk (without trimming), 60 rubles per 1 kg. If trimmed with ribbons, laces, embroidery, etc. (the trimming predominating over the material), 100 rubles per 1 kg. Women's and children's apparel (as in preceding item) if made of 2 or more fabrics, one of which is silk or half-silk, and all clothing (men's, women's and children's) of silk and half-silk, 122 rubles per 1 kg.

Hats and caps finished and semi-finished—not more than 2. Duty—Hats and caps finished and semi-finished: (1) Hats and caps: (a) hats of silk fabrics or silk mixtures, 25 rubles each; (b) hats of hair, half-hair, felt, or of fabrics of any kind, except those mentioned under (a) of this section, and also fur caps, 20 rubles each; (c) leather hats of all kinds, 20 rubles each; (d) hats made of straw or other plaiting material, or prepared from various materials, including silk, even with the admixture of tinsel, 100 rubles per kg. (2) Hat bodies felted of fur and wool, dyed and undyed, without any signs of being shaped into hats, 6 rubles per piece.

Umbrellas and combined umbrella-sticks—not more than 2. Duty—Silk and half-silk umbrellas (trimmed), 25 rubles apiece; untrimmed, 7 rubles apiece. Material other than silk (trimmed), 7 rubles apiece; untrimmed, 2 rubles apiece.

Fancy goods and articles of apparel, not separately designated, whole or in parts, such as cigar cases, ash trays, fans, hair brushes, tooth brushes, toys for children and all kinds of articles not separately mentioned made of mother of pearl, tortoise shell, ivory, etc. Quantities allowed: Bags, pocketbooks, cigar cases and brief cases—not more than one article of each denomination. Combs and barretts for hair—not more than 6 pieces. Hair brushes—not more than 2 pieces. Other fancy goods—not more than 1 piece. Toys—not more than 2 pieces, or 2 sets. Duty—100 rubles per 1 kg. Plain articles made of plain bone, horn, wood, plain metals not plated with either gold, silver or platinum, glass and other ordinary materials, 30 rubles per 1 kg.

Materials for writing, drawing and painting, except those mentioned in other sections. Pencils—not more than 1 dozen. Pens, thumb tacks and paper clips—one box each. Other articles—one piece each. Duty—3 rubles per 1 kg. Articles of this category, in which gold, silver or platinum, though not prevailing with respect to weight, obviously represent the main value, are taxed according to the same rates as silver, gold and platinum articles.

Samples of various articles and materials which have neither the appearance nor the character of goods, as well as other articles imported in single pieces, which are not goods by their nature, such as advertisements, catalogs, price lists, etc.—not more than 5 kg. No duty.

Note: Items which from the point of view of their purpose and commercial classification belong to the same group as the articles mentioned in the above list, though taxed under sections of the tariff not mentioned in this list, can be admitted without a permit in quantities specified in the list for the corresponding group of articles.

As compared with the list formerly in force the new list completely prohibits the shipment, in personal parcels, of dry goods and yarn, of all kinds

\* More particulars will be communicated by the Soviet Union Information Bureau upon request.

† If gold, platinum or silver rimmed—see duties on gold articles, etc. If mounted on other materials—see rates for fancy goods.

of tools, instruments and apparatus (musical, physical, medical, handicraft, etc.), watches and parts of watches, paper and all kinds of paper products (except letter paper in boxes and sensitized paper), tulle, laces, embroideries, buttons, studs, snaps, artificial pearls, and glass beads.

## "Catalog of American Industry and Trade"

**T**HE most elaborate commercial compendium of the United States ever prepared for distribution in a foreign country has just been published in New York to be placed in the hands of every business and trade executive and all important purchasing agents, technical men and professors of the Soviet Union. The heavy volume of 1,076 large pages, 9 by 12 inches, with 2,800 illustrations, is issued by the Amtorg Trading Corporation of 165 Broadway, New York, coincident with the completion of two years of American-Soviet trade with a total value for all organizations of about \$200,000,000, or more than double the pre-war average.

The book, entitled "Catalog of American Industry and Trade", is printed in Russian. It is handsomely bound in heavily embossed process leather. Each volume weighs 8 pounds. The 5,000 copies shipped to the Soviet Union this week have an aggregate weight of 20 tons.

The volume's 643 pages of American advertising contain the insertions of 382 manufacturers of 30 states of the Union and of Canada. Virtually every important American manufacturing corporation is represented in the pages.

Following the advertising section is a complete index of 155 pages, alphabetically listing American manufacturing products with the makers of each. Seven thousand products are listed in the index, with 45,000 firms and corporations.

A section of the volume is devoted to 28 articles by leading American technical experts setting forth various phases of American technical and manufacturing development. Significant of the Soviet Union's ambitious program of super-power development, which includes the constructing, beginning this spring, on the Dnieper River, of the largest hydroelectric development in Europe, is the fact that half of the articles are devoted to electricity.

Among the contributors to this section are Col. Hugh L. Cooper, builder of Muscle Shoals; Professor Vladimir Karapetoff of Cornell, chief consulting engineer of the General Electric Company and other technicians of that company; S. Q. Hayes, Professor D. E. Vinogradoff and other engineers of the Westinghouse Electric Company; Charles E. Locke, professor of mining engineer-

ing, Massachusetts Tech; Edward P. Warner, professor of aeronautics, Massachusetts Tech; Allen Rogers, professor of chemistry, Pratt Institute; R. M. Washburne, professor of agriculture, University of Michigan; Norman G. Shidle, editor, Automotive Industries; Arnold P. Yerkes, Arthur P. Parsons.

Fifty pages are devoted to an economic survey of the United States, in all its technical and manufacturing and financial phases, with economic maps.

A series of introductory articles, descriptive of American commercial and economic development with special relation to the trade requirements of the Soviet Union, is contributed by Alexis V. Prigarin, Chairman of the Board; G. V. Tourbin, Vice-President, and other officers of the Amtorg.

## Soviet Railway Transport

**U**P to 1925 the Soviet Union's only rail connection with the western countries was that through Riga, the trip from Moscow through Riga (Latvia) to Berlin taking about 60 hours. Beginning with spring, 1926, transit through Warsaw was arranged, this line offering very convenient railway connections with trains going to Berlin and to Paris. The trip Moscow-Berlin (via Riga) was reduced to 52 hours according to the new time table, and that through Warsaw to 42 hours. Beginning with the fall of 1926 the trip via Warsaw was reduced by two more hours.

At the International Railway Conference, held in Baden-Baden (Germany) towards the end of 1926, the trip via Riga was reduced by four more hours. Thus the trip Moscow-Riga-Berlin can be covered at present in 48 hours. The trip between Leningrad and Berlin was reduced from 60 hours to 48 hours. The line Shepetovka-Kiev-Poltava-Lozovaya-Rostov-Baku which stretches from the Ukrainian-Polish frontier to the Caspian Sea was successfully connected with western railway lines.

## Budget of Soviet Railway System

The budget of the railway system of the Soviet Union for the current fiscal year ending September 30, 1927, gives an estimated net profit from operation for the year of \$127,102,000.

Receipts, estimated on a freight turnover of 133,000,000 metric tons, are \$829,819,500 and expenditures \$702,717,500. The railway system first began showing a favorable balance in 1924-25.

According to the State Planning Commission, \$130,295,000 will be expended during the year on improvements and extensions, including about 1,400 miles of new lines. This outlay will virtually be covered by the profits from operation for the year.

## Miscellaneous News

### THIRD ANNIVERSARY OF LENIN'S DEATH

January 21, 1927, was the third anniversary of Lenin's death. The date was commemorated throughout the Union of Soviet Socialist Republics by the many peoples to whose liberation the great revolutionist and statesman had contributed so much.

#### The National Income of the Soviet Union

According to approximate estimates, the total income of all economic units of the Soviet Union is expressed in the following figures:

	<i>In Rubles according to prices of each year</i>	<i>Percentage of Annual Increase</i>
1913	15,130,000,000	-----
1922-23	7,386,000,000	-----
1923-24	11,718,000,000	58.6
1924-25	15,456,000,000	31.9
1925-26	19,914,000,000	28.9

The increase of the share of the wage-earners in the total national income is shown by the following table (in millions of rubles):

	<i>Total National Income</i>	<i>Total Income of Wage Earners</i>	<i>Ratio of Wage Earners' Income</i>
1922-23	7,386	1,410	19.1
1923-24	11,718	2,714	23.2
1924-25	15,456	4,011	25.9
1925-26	19,914	5,824	29.2

#### Registered Mail From the U. S. S. R. to U. S. A.

As a result of the refusal of the United States Postal Administration to assume responsibility for the loss on its territory of international shipments mailed in the U. S. S. R., the People's Commissariat for Posts and Telegraphs has instructed all local offices to warn the senders that the Postal Department does not assume any financial responsibility for the loss of shipments sent to the United States, and that such shipments are accepted at the risk and responsibility of the senders.

#### Growth of Savings Banks in the U. S. S. R.

The number of savings banks in the Soviet Union increased from 357 with 59,700 depositors in 1923-24, to 14,757 savings banks with 1,284,800 depositors in the fiscal year 1925-26. In the course of 1923-24, 9,475,900 rubles (\$4,880,000)

were deposited in the various savings banks; in the course of 1924-25—22,247,000 rubles (\$11,456,700), and in 1925-26—52,516,800 rubles (\$27,046,200). In the course of the last ten years before the Revolution the average annual deposits made in the Russian savings banks amounted to 58,000,000 rubles (about \$29,900,000).

In December, 1926, the aggregate of all the balances on deposit in all savings banks of the Soviet Union had reached 100,000,000 rubles (\$51,500,000).

#### Financial Statement of Issue Department of State Bank of U. S. S. R.

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of January 15, expressed in chervontzi valued at \$5.14½, with comparison of January 1, follows:

<i>Assets</i>	<i>January 15</i>	<i>January 1</i>
Gold coin and bars.....	16,441,158	16,441,171
Platinum .....	3,038,356	3,038,356
Foreign currency .....	7,114,894	6,059,845
Drafts in foreign currency.....	266,490	266,490
Bills in chervontzi.....	62,053,235	65,108,471
Securities covering advances..	85,867	85,867
<b>Total .....</b>	<b>89,000,000</b>	<b>91,000,000</b>
<i>Liabilities:</i>		
Bank notes transferred to State Bank .....	85,045,930	88,516,062
Balance to which notes may still be issued.....	3,954,070	2,483,938
<b>Total .....</b>	<b>89,000,000</b>	<b>91,000,000</b>

Eighty-nine million chervontzi equal 890,000,000 rubles.

#### Remodeling of Baku-Batum Kerosene Pipe-Line

In December, 1926, the Collegium of the Commissariat for Transportation sanctioned the expediency of transforming the Baku-Batum kerosene pipe-line into a crude oil pipe-line, since the movement of kerosene takes up only half of the available pipe capacity. The remodeling of the kerosene pipe-line will obviate the employment of about 1,500 tank cars and 30 locomotives for the transportation of crude oil by rail, thus effecting a saving of 9,000,000 rubles (over \$4,500,000) in the cost of rolling stock to be ordered. The disbursements for changing the kerosene pipe-line into a crude oil pipe-line are estimated at 2,480,000 rubles (\$1,278,000).

*The Index to the fourth volume of the  
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### Soviet Industries in November

The total output of the large scale State industries of the Soviet Union for November, 1926, is estimated at 724,200,000 rubles (\$372,963,000) and shows an increase of 2 per cent over that of October, 1926, and an increase of 35 per cent over the output of November, 1925. The output of coal increased from 2,496,000 metric tons in October, 1926, to 2,643,000 metric tons in November, 1926. The output of oil increased from 793,800 metric tons in October, 1926, to 823,200 metric tons in November, 1926, an increase of 3.7 per cent over the preceding month, and of 31 per cent over November, 1925. The output of cast iron was 234,700 metric tons, an increase of 1.1 per cent over the preceding month, and of 53 per cent over the output of November, 1925. The output of Martin steel was 292,600 metric tons, an increase of 1.1 per cent over the preceding month and of 40 per cent over the output of November, 1925. The output of rolled iron was 219,900 metric tons in November, a decrease of 1.9 per cent, as compared with the preceding month, and an increase of 43 per cent over the output of November, 1925. The output of finished cotton goods was 211,800,000 meters, an increase of 3.8 per cent over the output of the preceding month, and an increase of 34 per cent over the corresponding output for November, 1925. The output of woolen goods shows an in-

crease of 9 per cent, and of linen goods an increase of 3.5 per cent, as compared with the preceding month. The rubber industry (rubber shoes) shows a monthly increase of 0.8 per cent. The glass industry shows a monthly decrease of 1.4 per cent, while in the cement industry a decrease of 9.3 per cent was noticed.

### Gold Production in the Soviet Union

Production of Schlich gold in the Soviet Union during the Soviet fiscal year ending September 30, 1926, reached 30,858.3 kilograms. The increase was about 10 per cent over the previous year. Schlich gold contains about 90 per cent fine gold.

### Amounts Collected in the U. S. S. R. for British Miners

The total amount sent from the Soviet Union to the striking British miners was 11,538,121.79 rubles (\$5,942,132.72). Of this amount 8,313,074.72 rubles (\$4,281,233.48) were sent by the provincial, regional and territorial central bodies of trade unions; 2,308,776.34 rubles (\$1,189,019.81) were sent by central committees of federations and the Central Council of Trade Unions, while 916,270.73 rubles (\$471,879.42) were contributed by editorial offices of newspapers, individuals and institutions.

## AMERICAN AMЕРИКАНСКАЯ И ПРОМЫШЛЕННАЯ ПРОМЫШЛЕННАЯ

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# SOVIET UNION REVIEW

Fifteen Cents

March, 1927

Vol. V. No. 3

## Achievements of Soviet Science and Technology

## Rail and Water Transport of the U. S. S. R.

## Growth of Trade Unions in the Soviet Union

## The New Census

## Educational Establishments of the Soviet Union

## Foreign Relations of the Soviet Union

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
Achievements of Soviet Science and Technology	42	Trade Unions in the U. S. S. R.	49
Industrial Progress of the U. S. S. R.:		Public Education in the Soviet Union	50
Output of State Industries in December	44	Foreign Relations of the Soviet Union:	
Soviet Metal Industry	44	Rakovsky's Note on Franco-Rumanian	
Oil Production	45	Treaty	51
Foreign Trade of Soviet Union:		Soviet Note on Italo-Rumanian Treaty	52
Foreign Trade for First Quarter of 1926-27	45	Soviet Non-Participation in Conferences on	
Foreign Trade in December	45	Swiss Soil	53
Oil Exports	46	Decree Regarding Diplomatic and Consular	
Banking and Currency:		Representatives	53
Savings Banks in the U. S. S. R.	46	Soviet Trade Representatives	54
Financial Statement of Issue Department		Publications Received	54
of State Bank of the U. S. S. R.	46		
Currency in Circulation in the U. S. S. R.	47	Miscellaneous News	
Rail and Water Transport:		The New Census of the Soviet Union	55
New Railway Construction	47	Birth and Death Rates in the U. S. S. R.	55
The Turkestan-Siberian Railway	47	Basic Power Equipment of the Soviet Union	55
Through Rail Traffic Between Far East and		Far Eastern Timber Concession	55
Latvia	48	Restoration of Black Sea Cable	56
Volga-Don Canal	48	Construction of Dnieprostroy Plant	56
The Port of Leningrad	48		

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## Achievements of Soviet Science and Technology

SCIENTIFIC and technological thought in the Soviet Union has secured noteworthy achievements in the course of the past nine years. The years of Soviet administration, often under the most grievous conditions of war and blockade, witnessed the creation and invigoration of a number of great institutes and laboratories, which carried on multifarious work, solved most important scientific problems, blazing the paths for world science in numerous fields, and obtained results of the highest value to national economy. New branches of industry were established and great new engineering structures were erected. Very important results were achieved in the power field. The post-revolutionary period is distinguished by a series of sharp transformations in the exploitation methods and production processes employed in the Soviet petroleum industry. In 1925-26 the output of petroleum reached 90 per cent of the pre-war volume, while the 1913 figures were exceeded by over 100 per cent in the case of the Grozny and Emba fields.

The gasoline yield from Baku petroleum now averages from 20 to 30 per cent, as against 0.5 to 1 per cent before the war. Soviet technology has radically altered the methods of drilling and production in the principal oil regions. The construction of the Grozny-Tuapse oil pipe-line, recently started, will represent an important accomplishment in oil transportation.

The Soviet Union possesses 78 per cent of the world's peat reserves. In this industry, too, there have been outstanding achievements. During the fiscal year 1925-26 over 3,200,000 metric tons of peat were produced, as against 15,000 metric tons in 1913. Soviet technology has created a system of peat exploitation whose efficiency and extent place it among the leaders of the world in this field. A new hydraulic method of production, the invention of two Soviet engineers (R. E. Klasson and V. D. Kirpichnikov), has been elaborated and put into practice. This new method yields a much higher output and at the same time frees the workers from the crippling labor which has hitherto been connected with the production of peat. Not a single worker now enters the peat quarry and no one is subjected to the caustic action of the peat mass. A technical solution of the enormously important problem of artificial peat dehydration has been found by Prof. Stadnikov and N. N. Gavrilov. Dry peat powder or briquets are obtained within one and a half hours from peat beds.

In the utilization of the motive force of the wind the theory evolved by Prof. I. E. Zhukovsky has rendered it possible to construct an entirely new form of wind motor. The two-vaned windmill designed by the Central Aero-Hydrodynamic Institute (TSAGI), for example, delivers more than twice as much power as the multiple-vaned American mills at the same cost. Storms do not involve any danger to this new type of windmill, which maintains an almost constant speed of revolution. A windmill of this sort with a rating of 45-horse-power has been set up in the Baku oil field to pump petroleum out of drilled shafts. Designs have been drawn up for the construction of a whole series of windmills of this improved variety with motive capacities ranging from 6 to 70 horse-power for use on peasant farms. A great deal of attention is being devoted to the adaptation of such windmills to irrigation work. A wind-driven electric power station with a capacity of 120 H. P. has been designed for the electrification of the Crimea.

In the progress toward the electrification of the country, apart from the regional power stations (the Kashira Station, the Kiselov Station, and the Red October Station) put into operation beginning with 1922, the fiscal year 1925-26 witnessed the inauguration of the following five new stations of large capacity: Shatura Station—32,000 kilowatts, Shterov Station—20,000 kilowatts, Nizhni-Novgorod Station—20,000 kilowatts, Tashkent Station—2,200 kilowatts, and Erivan Station—2,000 kilowatts.

The following electric power stations were approaching completion or started operation during the first three months of the new fiscal year (October-December, 1926): Volkhov Station—56,000 kilowatts, opened on November 16, 1926, Zemo-Avchal (Caucasus)—13,000 kilowatts, Sverdlovsk (formerly Ekaterinburg) Station (Ural)—6,000 kilowatts, Lyapinsk (Yaroslav)—5,000 kilowatts.

In addition to the above-named stations, which have begun or are about to begin operations, during the past year other new stations and extensions to existing plants were erected with a combined supplementary capacity of 305,500 kilowatts. According to preliminary data the electric power output of all the public utility plants aggregated about 1,500,000,000 kilowatt-hours for the fiscal year 1925-26, as against 690,000,000 kilowatt-hours for 1913, while the electric power plants (registered with the Chief Electric Bureau

—"Glavelektro") supplying individual factories and mills produced 1,400,000,000 kilowatt-hours, as compared with 1,250,000,000 kilowatt-hours in 1913.

A considerable number of highly important results attained by the State Experimental Electrotechnical Institute (GEEI), organized in 1924, have already made their way into industry, as, for example, the starting of asynchronous motors without rheostats, an inexpensive method of preventing sparking at the brushes of high-voltage machines, etc.

The telephone transmission systems (amplifiers) invented by Prof. Kovalenkov and established for the first time in the Soviet Union render telephony possible over great distances (up to 10,000 kilometers and even more). Prof. Romanov's method of multiplex telephony and telegraphy over wires, that is, the simultaneous transmission of several telegrams and telephone conversations over one wire without interference, solves the problem of considerably increasing the service capacity and earnings of the Soviet wire system. It is a notable fact that the technology of means of communication, aviation and radio are among those fields in which the successes of the Soviet Union's scientific and technological thought stand on an equal footing with the foremost international achievements.

The vacuum tube is fundamental in modern radio technology. At present the Nizhni-Novgorod Radio Laboratory makes both the smallest tube, generating oscillations with an impressed current of only a few volts on the anode, and the largest tube, called the Lenin tube, which is taller than a man, is water-cooled, has a capacity of 100 kilowatts and requires a pressure of up to 12,000 volts at the anode. Evidently this is the largest grid equipped vacuum tube in the world. This radio laboratory receives orders for different types of tubes from various scientific institutes and establishments in other countries. Hand in hand with the elaboration of these tubes went the designing of telegraph and telephone tube transmitters, the power of which has been gradually increased.

Noteworthy results have been attained in the utilization of short electro-magnetic waves. The Nizhni-Novgorod Radio Laboratory is breaking all records with its short wave transmitters.

Interesting work has been done by A. F. Yoffe, Member of the Academy of Sciences, in the construction of high voltage storage cells. These researches have not yet been completed, but in their intermediate stages they have already yielded remarkable results. Prof. Yoffe has already rendered it technically feasible to prepare a plate no thicker than a cigarette paper and yet with sufficient insulating capacity to withstand the tension of a current of 10,000 volts. A relatively

slight change in the thickness of the insulating substance augments its insulating capacity up to 80,000 volts.

The work of Prof. V. E. Grum-Grzhimailo for the construction of open-hearth furnaces on the basis of the hydraulic theory evolved by him, represents the major contribution of Soviet technology in the metallurgical field during the past seven or eight years. These researches have attracted widespread attention in the West, where until recently they were better known than in the Soviet Union itself.

Great interest attaches to the new aluminum alloy prepared at the "Kolchugino" plant in 1922. This is a light-weight alloy of high tensile strength and is quite equal in quality to the duralumin made abroad.

Utilizing this new Kolchugino aluminum alloy, the Central Aero-Hydrodynamic Institute proceeded to construct experimental models of metal airplanes. These experiments were crowned with success and the basis was laid for the construction of metal aircraft, which is an entirely new departure for the Soviet Union and is of considerable importance for purposes of national defense.

Last autumn the attention of European aviation experts was fixed on the Soviet airplane "Proletari" which completed a record flight from Moscow to Berlin, Paris, Rome, Vienna and back to Moscow.

The Scientific Automotive Institute (NAMI) has added a crowning achievement to Soviet airplane construction by putting out a 100 horsepower aviation motor which operates on a new principle and is economical and light in weight.

In the railroad sphere it is worth while dwelling on the large experimental internal combustion locomotive constructed at the Leningrad Machine-Building Works according to a system devised by Prof. Hackel of the Thermo-Technical Institute. This new form of locomotive consumes only about one-fourth as much fuel as an ordinary steam locomotive of equal power.

At the present time problems concerning mineral raw materials and the elaboration of methods for their industrial utilization are studied principally by the Institute of Applied Mineralogy and Metallurgy, the Scientific Fertilizer Institute, the Silicates Institute and the Ceramics Institute.

The immense potash beds discovered near Solikamsk possess the utmost importance. These Solikamsk potash salt deposits are the equivalent of a new gold fund of many billions for the Soviet Union.

Great accomplishments have also been recorded in the chemical industry of the Soviet Union. The Pure Chemical Reagents Institute, established in 1918, now possesses methods for the preparation

of more than 250 different reagents in chemically pure form. The production program of the Soviet chemical factories for the fiscal year 1925-26 included 126 different products, the output in individual cases ranging from 60 to 80 per cent of the country's consumption. In addition about 50 chemical preparations are manufactured by the Pure Chemical Reagents Institute on an experimental scale in sufficient quantity to meet from 25 to 30 per cent of the country's requirements.

Equally substantial are the successes attained by the Soviet pharmaceutical industry. The Scientific Chemico-Pharmaceutical Institute has elaborated methods for making over 30 distinct products, most of the processes having been put into practice on a manufacturing or semi-manufacturing scale.

Before the war Russia imported over eight thousand tons of mineral pigments annually, although the Russian territories contain enormous reserves of pigment clays. The experimental factory established by the Institute of Applied Chemistry has rendered it feasible to produce mineral pigments from bauxites of the Tikhvin region and has already placed over 3,200 metric tons of mineral pigments on the market. This Institute has elaborated a process for making up liquid gold, a rare preparation employed in the ceramics industry, and it has also established the production of borax, boracic acid, highly valuable alcohols, essential oils, etc.

Finally, a few words may be said regarding the production of radium and platinum. In 1923 the State Radium Institute prepared the first pure (98 per cent) radium salts to be produced in the Soviet Union. These were derived from the semi-concentrated material received from the first Soviet plant for the extraction of radium from its salts; the plant was organized by the Supreme Council of National Economy in the Tikhviy Mountains along the Kama River. Prof. L. A. Chugayev, of the Platinum Institute, originated a new process for the extraction of pure platinum from the crude ore. This method has proved to be one of the best and makes it possible to obtain platinum equal to that produced by the Heraeus firm. Special mention should be made of the industry established for the extraction of iridium and palladium, the concomitants of platinum.

Such, in brief, are the notable victories won by scientific and technological thought in the Soviet Union in various branches of science and industry. This short article is far from indicating everything accomplished along these lines. Soviet scientists are working in all branches of research and occupy not a few places of honor.

## Industrial Progress of the U. S. S. R.

THE total value of the gross output of the large scale State industries for December, 1926, amounted to 734,400,000 rubles (\$378,200,000), an increase of 2.6 per cent over the output of the preceding month, and of 26 per cent over the output of December 1925.

The coal output for December, 1926, amounted to 2,733,200 metric tons, as against 2,658,000 metric tons in November, 1926. The December figure shows an increase of 31 per cent as compared with the output of December 1925. The output of oil for December, 1926, was 884,400 metric tons, an increase of 7.5 per cent over the preceding month (822,700 metric tons).

In the metal industry the smelting of cast iron increased from 237,000 metric tons in November, 1926, to 251,000 metric tons in December, 1926, which is 47 per cent above the figure for December, 1925. The output of Martin steel increased from 294,000 metric tons in November, 1926, to 301,000 metric tons in December, 1926, which is 39 per cent above the December figure of 1925. The output of rolled iron increased from 225,000 metric tons in November, 1926, to 231,000 metric tons in December, 1926, which is 39 per cent above the December figure of 1925.

The output of cotton yarn increased by 0.8 per cent, from 23,019 metric tons in November, 1926, to 23,196 metric tons in December, 1926. Unfinished cotton goods show a monthly decrease of 2.8 per cent—from 213,000,000 meters in November, 1926, to 207,100,000 meters in December, while the output of finished goods increased by 0.8 per cent—from 205,300,000 meters in November to 206,800,000 meters in December. As compared with December, 1925, the increase in the output amounted to 8 per cent for yarn, 16 per cent for unfinished goods, and 21 per cent for finished goods.

In the woolen industry the percentage of increase over the preceding month was 0.9 per cent for yarn, 0.3 per cent for unfinished goods and 2.3 per cent for finished goods. The corresponding increase over December, 1925, was 17 per cent, 33 per cent and 35 per cent, respectively.

### Soviet Metallurgy in First Quarter of 1926-27

The following figures illustrate the standing of the different branches of metallurgical production:

The production program set for cast iron was surpassed. The output for the quarter in question was brought up to 713,124 metric tons, representing an increase of 18 per cent over the final and 48 per cent over the initial quarter of the previous fiscal year. In the monthly advance of production December with a total of 248,225

metric tons of cast iron showed a rise of 7 per cent over November.

The output of Martin steel amounted to 883,146 metric tons. This was 1 per cent in excess of the production program and registered increases of 16 per cent and 36 per cent over the fourth and first quarters respectively of the preceding fiscal year.

The output of rolled iron products for the first quarter of 1926-27 was 676,612 metric tons, between 5 and 6 per cent larger than the program required, the December figure having been 8.5 per cent above the quota for the month. The total for this quarter of 1926-27 represents advances of 20.7 per cent and 38.8 per cent over the fourth and first quarters respectively of 1925-26.

The rate of progress which the Soviet metallurgical industry has now attained gives every reason to believe that the annual quota fixed for this branch of production will be more than fulfilled.

#### Oil Production

Oil production in the U. S. S. R. for the first quarter of the current Soviet fiscal year, October 1 to December 31, 1927, broke all Russian records. State production in the Baku, Grozny and Emba fields for the quarter was 2,478,201 metric tons, and production in other fields will bring the total to well over 2,500,000 tons. The figures are 30.1 per cent higher than those for the same territory during the same period of the previous year. Production for the quarter exceeded the advance program by 19.3 per cent.

#### Construction of the Oil Pipe Line Grozny-Tuapse

In accordance with the decision of the Council of Labor and Defense to take up immediately the construction of the oil pipe line Grozny-Tuapse, which is to connect the Grozny oil fields with the Black Sea, the Grozny Oil Trust has started the laying of pipes. On January 1, 1927, 7 kilometers of pipes had been laid, and 200 kilometers out of a total of 630 kilometers are to be laid in the course of this year. The total construction cost of the pipe line will amount to 26,500,000 rubles (\$13,600,000).

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## Foreign Trade of the Soviet Union

THE foreign trade turnover of the U. S. S. R. for the first three months of the current fiscal year beginning October 1, 1926, amounted to 340,000,000 rubles (\$175,100,000). This figure refers to the trade across the European frontier only. Exports increased from 164,600,000 rubles (\$84,770,000) for the first quarter of the preceding fiscal year (1925-26) to 208,200,000 rubles (\$107,200,000), while imports decreased from 194,200,000 rubles (\$100,000,000) for the first quarter of the preceding year to 131,800,000 rubles (\$67,870,000) for the first quarter of the current fiscal year. The exports of grain products increased from 66,800,000 rubles (\$34,400,000) for the first quarter of the past fiscal year, to 101,000,000 rubles (\$52,000,000) for the first quarter of the current fiscal year.

The favorable balance of Soviet foreign trade across the European frontier constituted 76,400,000 rubles (\$39,350,000). In the previous fiscal year the first quarter yielded an unfavorable foreign trade balance of 29,600,000 rubles (\$15,240,000).

#### Foreign Trade in December

For the month of December in 1926 foreign trade of the U. S. S. R. across the country's European frontier showed a favorable balance of 41,800,000 rubles (\$21,500,000), as against 27,200,000 rubles (\$14,000,000), for the preceding month of November and an unfavorable balance of 23,300,000 rubles (\$11,990,000) for December in 1925. This favorable December balance is the best in recent years.

Soviet exports in December aggregated 76,500,000 rubles (\$39,400,000), as compared with 32,700,000 rubles (\$16,800,000) for the same month in 1925. In November 1926 exports amounted to 66,200,000 rubles (\$34,100,000).

December imports in 1926 totaled 34,700,000 rubles (\$17,870,000) in comparison with 56,000,000 rubles (\$28,800,000) for the corresponding month of 1925.

The combined total of Soviet exports and imports across the European frontier for the month of December, 1926, was 111,300,000 rubles (\$57,300,000), compared with 105,200,000 rubles (\$54,180,000) for the preceding month of November and 88,700,000 rubles (\$45,680,000) for December, 1925.

The principal export commodities were agricultural products, shipments of which amounted to 39,200,000 rubles (\$20,190,000) in December, 1926, as against 37,000,000 rubles (\$19,060,000) in November. Exports of wheat totaled 20,200,000 rubles (\$10,400,000), rye—6,200,000 rubles, barley—3,500,000 rubles, flax—2,900,000 rubles. Live-stock and poultry products were exported in

the amount of 8,500,000 rubles, including 1,100,000 rubles' worth of eggs and 2,600,000 rubles' worth of game and poultry. Egg exports diminished somewhat, while shipments of butter were almost entirely lacking.

Soviet exports of trimmed timber constituted 3,800,000 rubles, showing a certain increase over November, whereas the exports of rough timber decreased by 1,200,000 rubles.

Fur exports rose from 4,000,000 rubles (\$2,060,000) in November to 5,100,000 rubles (\$2,630,000) in December.

Soviet petroleum product exports in December amounted to 6,000,000 rubles (\$3,090,000), as against 7,900,000 rubles (\$4,070,000) in November. This December total, however, represented an increase of almost 100 per cent over the figure for the corresponding month of 1925.

Exports of manganese ore aggregated 1,400,000 rubles (\$720,000) in December, 1926, showing a rise of nearly 100 per cent over November, but somewhat of a decline as compared with December, 1925.

The leading import items in December were metals and metal manufactures, incoming shipments amounting to 12,300,000 rubles (\$6,300,000)—the same total as for November. This figure included 5,000,000 rubles' worth of machines and appliances, as against 4,000,000 rubles for November and 3,200,000 rubles for December 1925. Imports of non-ferrous metals amounted to 1,800,000 rubles for the month.

December imports of textile fibers totaled 8,600,000 rubles (\$4,400,000) in comparison with 8,800,000 rubles (\$4,500,000) for November. This included 4,500,000 rubles (\$2,300,000) of cotton, 1,700,000 rubles of wool, and 1,500,000 rubles of woolen yarn.

Chemical product imports aggregated 2,500,000 rubles (\$1,290,000) in December, compared with 2,600,000 rubles in November. During this month the Soviet Union imported rubber valued at 2,100,000 rubles, and hides—1,000,000 rubles.

Foodstuff imports into the Soviet Union in December totaled 2,000,000 rubles (\$1,030,000), including 1,600,000 rubles' worth of tea.

### Oil Exports

Exports for the quarter were 478,000 metric tons as compared with 318,700 metric tons for the same period of last year, an increase of 50 per cent. They were more than half the exports for the entire year 1913 (914,032 metric tons). For the first time gasoline led all other forms of oil exports. Exports of gasoline were 123,000 metric tons, kerosene 114,900 tons, mazut (fuel oil) 101,100 tons, lubricating oils 49,000 tons, gas oil 38,000 tons, crude oil 45,300 tons.

## Banking and Currency

THE first Soviet savings banks were opened in 1923. Notwithstanding this comparatively short existence, savings bank operations in the Soviet Union have increased considerably, as may be seen from the following figures:

Date	Number of Savings Banks	Number of Depositors	Total Deposits in Gold Rubles
October 1, 1924.....	5,284	537,402	11,292,900
October 1, 1925.....	9,756	813,448	32,580,600
October 1, 1926.....	14,757	1,284,800	86,010,200

The foregoing table clearly shows that the Soviet savings bank system has expanded steadily and rapidly. In general, within two years the number of depositories has increased about 170 per cent and the number of depositors 140 per cent, while the aggregate deposits grew to almost eightfold.

The following figures illustrate the situation of the savings banks in various Republics of the Soviet Union on December 1, 1926:

Republic	Number of Depositors	Total Deposits in Gold Rubles
Russian Socialist Federal		
Soviet Republic.....	1,128,894	80,620,200
Ukraine .....	208,854	14,752,700
White Russia .....	26,457	1,620,600
Transcaucasia .....	19,414	1,657,800
Turkoman Republic.....	8,987	1,120,100
Uzbek Republic .....	24,435	2,970,900
Entire Soviet Union.....	1,417,041	102,742,300

### Financial Statement of Issue Department of State Bank of U. S. S. R.

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of February 15, expressed in chervontzi valued at \$5.14½, with comparison of February 1, follows:

Assets	February 15	February 1
Gold coin and bars.....	16,441,353	16,441,158
Platinum .....	3,038,356	3,038,356
Foreign currency .....	8,185,860	7,582,208
Drafts in foreign currency.....	266,490	266,490
Bills in chervontzi.....	60,982,074	61,585,921
Securities covering advances.....	85,867	85,867
Total .....	89,000,000	89,000,000

#### Liabilities:

Bank notes transferred to		
State Banks .....	85,933,642	85,659,444
Balance to which notes may		
still be issued.....	3,066,358	3,340,556
Total .....	89,000,000	89,000,000

Eighty-nine million chervontzi equal 890,000,000 rubles.

### Currency in Circulation in the U. S. S. R.

Currency in circulation in the Soviet Union on January 1, 1927, was 1,412,633,000 rubles (\$727,505,995), as compared with 1,269,298,600 rubles on January 1, 1926. The currency was composed of state bank notes 812,259,000 rubles, treasury bills 427,402,000 rubles, silver coins 162,252,000 rubles, copper coins 8,680,000 rubles, bronze coins 2,040,000 rubles.

### New Import and Export Regulations for Foreign Securities

Under the provisions of a decree passed last December by the Central Executive Committee of the Soviet Union a license from the Special Foreign Exchange Council attached to the People's Commissariat for Finances of the Soviet Union will be required to take or transmit into or out of the country foreign public loan bonds, as well as stocks or bonds of foreign governmental and public institutions or private establishments.

Credit institutions authorized to conduct foreign exchange operations in accordance with their by-laws or by special regulations are permitted to accept foreign securities for cashing without restriction as to amount, under special instructions issued by the People's Commissariat for Finances of the Soviet Union.

### Rail and Water Transport

**D**URING the calendar year 1926, 856 miles of railways were opened for operation in the Soviet Union. This compares with the following mileage built during the preceding years: 320 miles—1918; 855 miles—1919; 753 miles—1920; 322 miles—1921; 235 miles—1922; 143 miles—1923; 546 miles—1924; 186 miles—1925.

During the past three years 3,259 miles of railways were under construction. Of these 1,588 miles were opened during the same period of time. The following are the larger lines which started operations during the recent years:

In 1924: The Slavgorod-Pavlodar line, in the northeastern part of the Kazak Republic, south-east of Omsk—132 miles; the Namangan-Andijan line in the Uzbek Republic, Soviet Central Asia—56 miles; the Aulye-Ata-Frunze (Pishpek) line in the Kirghiz Republic (formerly Kara-Kirghiz Area) in the southeastern part of Soviet Central Asia—166 miles; the Orsha-Unecha line in White Russia—160 miles.

In 1925: The Apostolovo-Kherson line, with the Vodopoy-Snegyrevka branch—133 miles, and the Chernigov-Nyevzhin line—53 miles, both in the Ukraine.

In 1926: The Novgorod-Pavlovsk line in northern Russia, south of Leningrad—87 miles; the Ovinishche-Vesyegonsk line in northern Rus-

sia—29 miles; the Valday-Krestzy line in northwestern Russia—36 miles; the Achinsk-Minusinsk line in southwestern Siberia—286 miles; the Kolchugino-Kuznetsk line (in the Kuznetz Basin) southwestern Siberia—145 miles; the Samsonovo-Termez line in southwestern Siberia—134 miles; the Orsha-Lapel line in White Russia—86 miles; the Veimarn-Koporye line, in northwestern Russia—53 miles.

### The Turkestan-Siberian Railway

The Turkestan-Siberian railway trunk line, the construction of which was recently decided upon, will cover a distance of 1,400 kilometers and its importance will be immense. The construction of the railroad will constitute a stimulus to the development of the productive forces and the increased utilization of natural resources in Western Siberia, as well as in Central Asia.

The new trunk line will connect the following cities; Frunze (formerly Pishpek), Alma-Ata, Semipalatinsk and Sergiopol, the terminal point. In addition to this, Ust-Kamennogorsk, Zaisak, Dzherkent and other cities will contribute to the traffic of the road.

The total cost of building the line is estimated at approximately 140,000,000 gold rubles (over \$70,000,000), including the rolling stock.

The new railroad will have the important function of facilitating a cheaper food supply for Central Asia. The solution of the problem of furnishing Central Asia with cheap grain and rice (which may be produced in the Chu and Ili River valleys) is a primary prerequisite to the expansion of cotton growing, which cannot otherwise be brought up to the necessary dimensions.

The transportation of draft animals and sheep will be another large source of freight traffic for the road.

By serving an area of approximately 700,000 square kilometers along its route the projected line will render possible the development of agriculture and livestock breeding in this region and, something especially important, it will make it practicable to increase the area under cotton and rice.

The road will pass near very rich coal fields and thereby influence the development of the mining industry in the Kazak and Kirghiz Republics.

The general economic ties between these regions will also be strengthened by the new trunk line. In addition the road will play a very large part in stimulating the exchange of goods between the Soviet Union and Western China and Mongolia.

All this indicates that the union of Siberia and Turkestan effected by this railroad will have an immense economic effect aiding decidedly to advance the economic life not only of the Central-Asiatic Soviet Republics, but of the Soviet Union as a whole.

### Through Rail Traffic between the Far East and Latvia

The People's Commissariat for Transportation of the Soviet Union has concluded an agreement with the Central Administration of Latvian Railroads for through railway communication between Riga and Manchuria Station (on the Soviet-Manchurian border), and Riga and Vladivostok via Bigosovo, Smolensk, Moscow, Vyatka, Tiumen and Irkutsk.

Under this agreement two Riga-Manchuria sleeping cars (one upholstered and one non-upholstered) were scheduled to leave Riga beginning January 17, and Manchuria Station beginning January 27, with Trains Nos. 1 and 2. Such cars are to run twice a week, leaving Riga with trains going out on Mondays and Fridays at 11 a. m. and arriving in Manchuria on the ninth day, i. e., on Tuesdays and Saturdays, at 5:10 p. m. On the return trip from Manchuria these cars will leave with Train No. 1 on Thursdays and Sundays at 4:36 p. m. and will reach Riga on the ninth day—on Fridays and Mondays—at 9 p. m.

Beginning with January 22 from Vladivostok and February 8 from Riga two Riga-Vladivostok sleeping cars (one upholstered and one non-upholstered) were to go out with Trains Nos. 1 and 2, once weekly. The sleeping cars will leave Vladivostok on Saturdays at 8:40 a. m., arriving in Riga on the twelfth day, i. e., on Wednesdays, at 9 p. m. On the reverse run from Riga the sleeping cars will leave on Wednesdays at 11 a. m. and reach Vladivostok on the thirteenth day—on Mondays—at 12:20 a. m.

### Crimean South Coast Railroad

Last December the route of the projected railroad along the southern coast of the Crimea was definitely determined. The line will extend from Sebastopol to Yalta. The railway will be 86 kilometers long. Its construction will involve an expenditure of about 20,000,000 gold rubles (over \$10,000,000). Traffic will be moved electrically. A large passenger terminal is to be built at Sabastopol.

### The Volga-Don Canal

Along with the Dneprostroy power project and the Siberian-Turkestan Railroad, the Volga-Don Canal is one of the most important links in the plan for the industrialization of the Soviet Union which the Government has started to carry out during the current fiscal year. The Volga-Don Canal project is divided into several parts.

In the first place, it is intended to carry out the construction of a deep water port at Rostov, which by reason of its position is the chief seaport of the southern grain-producing regions. As

a result the port plays a most important role in Soviet grain exports, and the creation of deep draft harbor at Rostov possesses great significance apart from the digging of the Volga-Don Canal. The operations for the deepening of Rostov port include the dredging of a marine channel 6.7 meters in depth for a distance of 130 kilometers along the southern shore of Taganrog Gulf, from the mouth of the Don to the Mariupol meridian, and the construction of deep water (draft up to 9 meters) wharves with the requisite modern grain elevators.

The installation of locks on the Don is also of great importance, since this river is the main inexpensive water route for a vast area. Work on this system of locks was begun in 1914, but subsequently construction operations were interrupted.

According to the plans the canal itself is to be dug from Sarepta on the Don to Shumovsky Khutor near Stalingrad (formerly Tsaritsyn). The length of the canal will be about 100 kilometers.

It is proposed to begin the digging of the Rostov canal from the sea end this spring and to complete it to a depth of 5 meters within three years.

### Soviet Foreign Marine Traffic in 1925-26

During the fiscal year 1925-26, ending September 30, 1926, a total of 2,737 vessels with an aggregate tonnage of 4,365,000 register tons visited the Baltic, Black Sea, White Sea and Arctic Ocean ports of the Soviet Union. The departures from these ports in the same period included 2,806 vessels with a combined tonnage of 4,479,000 register tons.

The sea-borne cargoes entering the above-mentioned ports of the Soviet Union throughout the fiscal year amounted to 937,000 tons, while the outgoing shipments totaled 6,438,000 tons.

### Vladivostok-European Steamship Service

Negotiations were recently concluded with the French company, Messageries Maritimes, for the establishment of regular steamship service between Vladivostok and West European ports—Marseilles, London, Hamburg, Antwerp and others. The voyages were scheduled to start toward the end of January.

### The Port of Leningrad

The port of Leningrad is passing through a period of intense growth, which is making it one of the world's important points of ocean commerce. It is the terminal of a large number of inland water routes and railroads. The internal waterways connect it with the Volga provinces

and the Caspian Sea, while the rail lines put it into touch with the central provinces of Soviet Russia proper and with Siberia. The hinterlands contributing cargo to Leningrad port are enormous. They include Western Siberia, the Ural territory and the central agricultural region (provinces of Orel, Kursk, Tambov, Voronezh, etc.). The cold storage warehouse with a capacity of 11,000 tons, now approaching completion at the port, will render it possible to take care of the perishable cargoes arriving from the distant Central-Asiatic areas.

Before the Revolution cheap manual labor predominated in the port of Leningrad. At present machine methods of handling cargo are being introduced on a very extensive scale. During the past two years a system of electric hoisting cranes and electric grain conveyors, the latter with a capacity of 50 tons per hour, have been installed. The marine channel extending for a distance of 30 kilometers (up to Cronstadt) has been dredged to a depth of 31 feet, rendering possible the passage of ships with the largest tonnage. In the very near future the freight handling capacity of the port railways will be increased from 450 cars up to 620 cars per 24 hours. During the Soviet administration great reinforced concrete warehouses of the most modern type with a capacity of 2,500,000 poods (41,000 metric tons) have been erected. The total storage capacity of the port has been brought up to 200,000 tons. In addition to this Leningrad port has large floating cranes, electric coal loaders, and electric locomotives for drawing small freight cars. A deep-water concrete wharf is also being constructed. In the near future extensive work will be started for the mechanization of timber loading operations.

The principal export cargoes now passing through the port of Leningrad for shipment to foreign parts consist of timber, grain, butter and eggs. The chief import goods are machinery, textile raw materials and paper (newsprint).

The total cargo handled at Leningrad port in 1925 amounted to 100,000,000 poods (1,600,000 metric tons), showing an increase of 68 per cent over 1924. Figures available toward the end of November last indicated that the cargo turnover for 1926 had already considerably surpassed the 1925 total. The number of vessels visiting the port in 1925 was 890, representing an increase of 61 per cent over the preceding year. During the first six months of 1926 the port was visited by 413 ships.

*The Index to the fourth volume of the RUSSIAN REVIEW has just been published. On request it will be sent free to all readers of the REVIEW.*

## Trade Unions in the U. S. S. R.

A REPORT presented to the Seventh General Congress of Trade Unions of the Soviet Union held during the early part of December, 1926, in Moscow, showed that the membership of the Soviet trade unions had increased very substantially in conjunction with the influx of new workers into the country's industries. On July 1, 1926, the trade union ranks embraced a total of 9,278,000 members, representing an accretion of nearly 3,000,000 members to the mass of organized labor since the Sixth General Trade Union Congress in 1924.

At the date of the report 84 per cent of the trade-union members were employed, 13 per cent were out of work, and 2.5 per cent were learners or apprentices. When compared with data available at the previous congress these figures showed a decline in the percentage of employed with a concomitant rise in the proportion of unemployed.

A considerable portion of the unemployed belongs to the building and farming unions. The number of unemployed in the industrial division shows only a very slight increase.

The bulk of the new trade-union members belong to the industrial groups, the builders and the agricultural workers. During the period in question the industrial unions gained 947,000 members, or 35 per cent; the builders—326,000 members; and the agricultural workers—624,000 members, or 164 per cent.

Approximately 33.4 per cent of the aggregate trade-union membership consists of clerical and other office employes, while the remainder are manual workers. Soviet labor union growth is occurring principally in the industrial unions.

For various reasons, but particularly because of the whirlwind growth of Soviet industry, the percentage of organized workers has declined somewhat. Shortly before the Sixth Trade-Union Congress 91.3 per cent of all the workers were organized, whereas the present percentage is 89.8. The restrictions formerly practised by trade unions with regard to admission are now a very rare exception. The demanding of recommendations, the withholding of new membership cards for entire months and the other impediments which used to obstruct entrance into the trade unions are now a thing of the past.

Much attention has been devoted to the organization of groups of members actively taking part in the trade union movement. Their number has augmented nearly 100 per cent during the past year. This growth took place mainly through the factory committees, through various committees attached to the latter, and through members taking part in club activities, whence educational workers were drawn for the various enterprises and institutions. Above all, this process of

growth was reflected in the numerical strength of the factory committees and various organizations. In 1925 there were 30,000 factory committees embracing 159,000 members; by December, 1926, the number of committees has risen to 56,000 with an aggregate membership of 226,000. The principal factory sub-committees, such as those on labor protection, production and education, include 642,000 members. Counting all the members of factory committees and all the workers taking part in the local trade union activities at the time of the Seventh Congress, about 2,000,000 trade-union members had been attracted into participation in trade-union activities in plants and enterprises.

The budget of the Soviet trade-unions as a whole for the year 1925 constituted the enormous sum of 69,917,872 rubles (over \$36,000,000). Of this total 47 per cent was devoted to current expenses. In particular, 20 per cent was expended by the Central Committees of the Trade Unions, 9 per cent by the Trade Union Councils, 19.5 per cent went into a special purpose fund, and a small percentage was devoted to loans to local trade-union organizations.

In 1926 all the trade-union organizations taken together had an available surplus of 39,000,000 rubles (\$20,000,000) at their disposal. First place with respect to the amount thus available per member was held by the metal-workers with a per capita average of 5 rubles, followed in order by the miners, the paper-workers, the textile workers and the chemical workers. The poorest showing in this regard was made by the unions of postal and telegraph workers and employes in the State trading organizations.

During the interval between the Sixth and Seventh Trade-Union Congresses the cultural and educational work of the unions has made special progress and has assumed new forms. The number of members in the trade-union clubs increased from 900,000 in 1925 to 1,200,000 in 1926. Within this period physical culture has undergone a marked development, now constituting one of the most important features of the system of cultural and educational activities carried on by the trade unions. On the average 89 per cent of all the physical culture clubs in the country are maintained by the trade unions. This branch of trade-union cultural activity is considered worthy of special attention and support because it attracts the masses into the cultural and educational work of the trade unions. The fund available for this cultural work in 1925 amounted to 32,693,167 rubles (about \$16,840,000). Over 70 per cent of this sum consisted of allocations from economic enterprises, while only 14.1 per cent consisted of allotments from membership dues. The expenditure of the cultural fund was divided as follows:

60.9 per cent on club work, 5.9 per cent on courses in civics, 3 per cent on the elimination of illiteracy, 3.9 per cent on vocational training, and 0.9 per cent on public education. Thus, the major part of the cultural fund was spent on club work, i. e., in serving the great mass of the trade-union membership. In the educational field particular attention was devoted to the various autonomous Republics of the non-Russian nationalities, where, owing to lack of funds and the insufficient number of active members, such work is below the proper level.

## Educational System of the U. S. S. R.

THE educational establishments in the Soviet Union are divided into three classes, viz: Establishments for public education, establishments for higher and technical education and establishments for adult education. The condition of the educational system of the U. S. S. R. during the last two school years 1924-25 and 1925-26 is presented by the following figures:

### *Establishments for Public Education*

	<i>School Year 1924-25</i>	
	<i>Estab- lishments</i>	<i>Attendance</i>
Elementary Schools.....	86,701	6,768,226
Secondary Schools.....	1,047	269,066
Extended Elementary Schools (Seven-Year Schools).....	3,821	1,221,896
"9-Year Schools" (combined Elementary and Secondary Schools) .....	781	445,853
School-Communes and Colonies..	195	18,982
Schools for Defective Children..	181	11,005
Schools for Peasant Youth.....	170	13,552
Kindergartens .....	1,165	60,002
Children's Homes, Colonies and Townlets .....	3,798	108,284
Establishments for delinquent children .....	244	16,248
Total .....	98,103	8,933,114

	<i>School Year 1925-26</i>	
	<i>Estab- lishments</i>	<i>Attendance</i>
Elementary Schools.....	95,588	7,826,293
Secondary Schools.....	981	279,900
Extended Elementary Schools (Seven-Year Schools).....	4,309	1,565,415
"9-Year Schools" (combined Elementary and Secondary Schools) .....	707	429,002
School-Communes and Colonies..	360	40,969
Schools for Defective Children..	223	16,195
Schools for Peasant Youth.....	491	36,163
Kindergartens .....	1,366	72,478
Children's Homes, Colonies and Townlets .....	3,330	275,681
Establishments for delinquent children .....	275	17,753
Total .....	107,630	10,559,839

The reduction of the number of secondary schools (including in this designation likewise the Seven-Year-Schools and the Nine-Year-Schools) was accompanied by an increase in the number of students. This is explained by the merging and the extension of the schools.

During the school year 1925-26 the schools for mass attendance, i. e., the primary and secondary schools, were distributed as follows between city and country: In the cities and urban settlements there were 6,960 elementary and "7-Year-Schools" with an attendance of 1,893,386; the corresponding figures for the rural settlements were: 92,937 schools with a total number of 7,498,322 pupils. The number of secondary schools including the "9-Year-Schools," in cities and urban settlements was 1,218, with an attendance of 595,552 pupils, while the corresponding number for rural settlements was 470 schools with 113,350 pupils.

### Higher Educational Establishments and Vocational Schools

The growth of the number of higher educational establishments and technical schools, and their attendance is shown by the following figures:

#### *Establishments for Professional and Vocational Training*

<i>School Year 1924-25</i>		
	<i>Estab- lishments</i>	<i>Attendance</i>
Lower Grade Technical Schools	3,931	428,333
Middle Grade Technical "		
Higher Educational Establish- ments	158	165,268
Workers Colleges	114	43,109
<b>Total</b>	<b>4,203</b>	<b>636,710</b>

<i>School Year 1925-26</i>		
	<i>Estab- lishments</i>	<i>Attendance</i>
Lower Grade Technical Schools	3,348	349,915
Middle Grade Technical "	979	180,522
Higher Educational Establish- ments	151	169,076
Workers Colleges	108	47,174
<b>Total</b>	<b>4,586</b>	<b>746,687</b>

The reduction in the number of higher educational establishments and workers' colleges in 1925-26 is explained by the fact that some of them were extended at the expense of other establishments which were closed.

### Educational Establishments for Adults

The educational establishments for adults include schools for semi-literates and illiterates, general educational institutions for adults, party schools, civics schools and courses, reading cabins, people's houses, clubs and libraries.

The number of these establishments and their attendance is shown in the following table:

### *Educational Establishments for Adults*

<i>School Year 1924-25</i>		
	<i>Estab- lishments</i>	<i>Attendance</i>
Schools for semi-literates and illiterates	42,004	2,150,000
General Educational Establish- ments for Adults	505	no data
Party Schools	201	21,533
Civics Schools and Courses	1,383	47,482
Reading-Cabins	19,650	
People's Houses	no data	
Clubs	5,750	
Libraries	11,425	
<b>Total</b>	<b>80,918</b>	<b>2,219,015</b>

<i>School Year 1925-26</i>		
	<i>Estab- lishments</i>	<i>Attendance</i>
Schools for semi-literates and illiterates	49,804	1,599,755
General Educational Establish- ments for Adults	511	68,325
Party Schools	259	29,789
Civics Schools and Courses	6,431	205,547
Reading-Cabins	24,536	
People's Houses	1,756	
Clubs	5,586	
Libraries	19,304	
<b>Total</b>	<b>108,187</b>	<b>1,903,416</b>

It was not possible to obtain exact figures concerning the establishments for the elimination of illiteracy for 1924-25. Most of the figures for 1925-26 are preliminary.

## Foreign Relations of the Soviet Union

**A**FTER the conclusion of the Franco-Rumanian Treaty Mr. Rakovsky, Diplomatic Representative of the Soviet Union in France, handed the following note to the President of the French Council of Ministers:\*

"Having become cognizant of the text of the treaty signed between France and Rumania on June 10, 1926, my Government has authorized me to express to you the painful impression which was produced upon the peoples of the Union of Soviet Socialist Republics by the conclusion of this treaty.

"In fact, on the basis of this treaty the French Government pledges its collaboration to Rumania in such form and unlimited extent that, by guaranteeing Rumania the maintenance of its territorial status quo, it permits the latter to prolong its lawless and violent occupation of Bessarabia by force of arms. By this treaty France takes its stand on the side of the Rumanian Government, which, in contradiction to the most elementary principles of international law and its own formal declarations, as well as to the declarations of the Allied diplomatic representatives, including the representative of France, at Jassy in

\*Published in the Moscow "Izvestia" of January 22, 1927.

the year 1917, despite the repeated declarations in the formal agreement between General Averescu and the Soviet Government in 1918, and, finally, in opposition to the often expressed desire of the Bessarabian people,—refuses to fulfill its obligations and evacuate the territory of the Union of Soviet Socialist Republics.

"The French Government should know that the peoples of the Union of Soviet Socialist Republics, as well as the entire Bessarabian population, never have consented and never will consent to regard as lawful the occupation of Bessarabia and likewise its annexation by Rumania in spite of the reiterated protests of the Soviet Government and the Bessarabian population at a time when the toiling masses of the Union, battling for their freedom and independence, were able to triumph over their oppressors, both internal and external.

"By signing this treaty at a time when the Union of Soviet Socialist Republics and France are entertaining normal relations and when negotiations are in progress between the Soviet Government and the French Government for the purpose of eliminating, in the interest of both countries, those obstacles which hinder their amicable development,—the French Government has sowed doubt in the minds of all the nationalities of the Soviet Union as to the sincerity of its intentions to work for the rapprochement of the two nations.

"In promising its aid to Rumania in the event of war and in proclaiming the community of French and Rumanian interests, without reservations as to Bessarabia, the French Government supports the aggressive and usurpative tendencies of the ruling circles of Rumania. It thereby decreases the chances of a peaceful settlement of the Bessarabian question on the basis of the right of peoples to self-determination and intensifies the menace to peace in Eastern Europe.

"I declare that my Government cannot regard the conclusion of the French guarantee treaty with Rumania as other than an unfriendly act aimed against the interests of both the Union of Soviet Socialist Republics and the Bessarabian population."

#### **Soviet Note to Italy on Italo-Rumanian Treaty**

On October 6, 1926 the following note with regard to the treaty of friendship concluded with Rumania by the Italian Government was handed to Mr. Mussolini by Mr. Kerzhentsev, at that time Plenipotentiary Representative of the Soviet Union in Italy.\*

"The treaty of friendship signed between Italy and Rumania on September 16, 1926, and the exchange of letters that occurred on the same date between the heads of the Italian and Rumanian Governments, could not but attract the serious at-

tention of my Government and they evoked a widespread reaction among the popular masses of the Soviet Union.

"As is known to the Italian Government, the Soviet Government, as well as the broad masses of the Bessarabian population, have protested in the most emphatic manner and continue to protest against the seizure of the territory of Bessarabia in 1918 by the Rumanian army and its retention under Rumanian dominion by force of arms in contravention of the dictates of international law and of the pledge made to the Soviet Government by the Rumanian Government through General Averescu, the present Rumanian Premier, and in opposition to the will of the Bessarabian population.

"The Soviet Government, basing itself upon the principle of the self-determination of peoples and safeguarding the interests of the Bessarabian population, has repeatedly declared to the whole world that it does not and will not recognize any deed whereby Bessarabia would become a Rumanian possession despite the desires of its population.

"With all the firmness resulting from the consciousness of its rights and the interests of the Soviet Union and the Bessarabian population, my Government has repeatedly declared its non-recognition of the treaty concerning Bessarabia signed at Paris on October 28, 1920 by the representatives of several Powers, including Italy, irrespective of whether or not this treaty were ratified by all of the participating powers.

"In those declarations the Soviet Government has left not the least room for doubt that no decision can be reached in the Bessarabian question without the participation and consent of the Soviet Union, and that it will regard all such acts as manifestations of unfriendliness toward the Soviet Union.

"The relations that have thus far so happily developed between the Soviet Union and Italy gave my Government the right to expect that the Italian Government would refrain from any act which might furnish ground for the presumption that on the question of the political status of Bessarabia Italy would adopt a viewpoint unfriendly to the Soviet Union and adverse to the interests of Bessarabia.

"To its deep regret my Government is constrained to observe that in its letter to General Averescu the Italian Government has not only not declared that the treaty it signed during the absence of normal diplomatic relations with the Soviet Union is unacceptable for Italy, but it has also found it opportune to point to the future possibility of Italy's confirmation of the treaty of 1920, which is hostile to the Soviet Union and in contravention of international law.

"In protesting under instructions from my

\*Published in the Moscow "Izvestia" of January 27, 1927.

Government at this new attempt to include the Bessarabian question among those which may constitute the subject of an agreement by Italy with Rumania or with any other Power, I am authorized to draw the attention of the Italian Government to the fact that the realization of the possibility to which the Italian Prime Minister points in his letter to General Averescu would be an infringement upon the sovereign rights and interests of the Soviet Government incompatible with friendly relations between the two countries, would intensify the usurpative and venturesome tendencies of the Rumanian ruling circles and thereby diminish the possibility of a peaceful solution of the Bessarabian question on the basis of the self-determination of peoples."

#### **The Soviet Union Will Not Participate in Conferences on Swiss Soil**

On January 27, 1927, the following note, signed by Mr. Litvinov, Acting People's Commissar for Foreign Affairs of the Soviet Union, was transmitted to the General Secretary of the League of Nations:

"In answer to your note of December 16, 1926, with reference to the summoning of a special commission to draw up the draft of a convention covering the manufacture of arms and military equipment and supplies by private persons, I have the honor to inform you as follows:

"In its note of April 7, 1926, the Soviet Government has already had occasion to express in the most definite manner the absolute impossibility of participating in any international conferences convened on the territory of the Swiss Confederation.

"The invitation extended in your note of December 16 names Geneva as the place where this special commission is to carry on its work. Under the circumstances the Soviet Government regards this invitation as calculated in effect to deprive the Soviet Union of the possibility of participating in this commission.

"Therefore, the Soviet Government cannot look upon the invitation extended in your note of December 16 as otherwise than unacceptable, and it does not consider it necessary to express an opinion with regard to the substance of the question of its participation in the work of the said commission."

#### **Decree Regarding Diplomatic and Consular Representatives in U. S. S. R.**

The standing of diplomatic representatives of foreign nations on the territory of the Soviet Union is accorded to such representatives of these nations as are accredited to the Central Executive Committee of the Soviet Union or to the People's Commissariat for Foreign Affairs. All the rights and privileges vested in their position under the practices of international law are conferred upon

the diplomatic representatives and the members of the diplomatic legations of foreign nations (as specified in the law) on a basis of reciprocity.

Recognition as consular representatives of foreign nations on the territory of the Soviet Union is granted to persons appointed by their respective governments in the capacity of consuls general, consuls, vice-consuls and consular agents and accepted as such by the Government of the Soviet Union through the instrumentality of the People's Commissariat for Foreign Affairs. Consular representatives must be citizens of the nation they represent. The rights and privileges customary in international law are enjoyed by foreign consular representatives on a basis of reciprocity.

#### **Soviet Trade Delegations in Foreign Countries**

Foreign trade being a State monopoly in the Soviet Union, the Government maintains trade delegations in all foreign countries with which normal relations have been established. All trade operations transacted between these countries and the Soviet Union must pass through the Trade Delegation, except in the case of certain Soviet organizations and institutions which may transact their foreign business without the intermediary of the trade delegations.

The names of the Soviet Trade Representatives in the various countries, their addresses and those of their branch agencies follow:

Afghanistan: Mr. W. I. Lezhava-Murat, Agency of the N. K. I. D., Trade Delegation of the U. S. S. R. Kabul, Afghanistan.

Austria: Mr. S. D. Wulfson, Steitzergasse 2-4, Vienna I, Austria.

Canada: Mr. L. F. Gerus, 512 Keefer Building, 698, St. Catherine St., Montreal, West.

China: Mr. M. A. Korobkin, Trade Mission of U. S. S. R. in China, 75 rue Pasteur, Tientsin, China. Branch in Shanghai: Mr. I. S. Sorokin, Direction of the Delegate of the Trade Mission of U. S. S. R. in China, I Wand Poo Road, Shanghai. Branch in Canton: Mr. M. S. Mashevitch. Branch in Harbin: Mr. S. S. Pogrebizhsky, Birzhevaya Ulitsa, No. 33, Harbin, Manchuria. Office in Kalgan: Soviet Russian Consul, Kalgan.

Czecho-Slovakia: Mr. I. W. Lenski, Lützowoya Ulice 1402, Praha II (Prague).

Denmark: Mr. J. H. Stoll, Vestre Boulevard 4, Copenhagen.

England: Mr. L. M. Khinchuk, 49 Moorgate St., Soviet House, London E. C. 2.

Estonia: Mr. O. J. Ossipov, Morskaya 19, Tallinn (Reval).

Finland: Mr. B. A. Trifonov, E. Espianadin katu 10, Helsingfors. Agency at Viborg: Alexandrovskaya 31, Viborg. Office at Leningrad: Mr. A. W. Butakov, Prospect 25 October, Corner Gogol St., Leningrad.

France: Mr. M. M. Lomovsky, 1 Rue Taitbout,

Paris; 26 Rue de Bassano, Paris. Agency at Marseilles: Mr. Burtmann, 2 Boulevard Paul Pegtral, Marseille.

Germany: Mr. K. M. Begge, Lindenstrasse 20-25, Berlin. Branch in Hamburg, Steinstrasse 10, Hamburg. Branch in Leipzig: Ritterstrasse, Leipzig. Branch in Koenigsberg, Kneiphöfische Langgasse 57, Koenigsberg i. Pr. Office in Moscow: Kuznetsky Most 4.

Greece: Mr. A. M. Ustinov, 141 Rue Patission, Athenes. Branch in Saloniki: Representation Commerciale de l'URSS en Grece, Rue Voulgaroteni 28, Salonique.

Italy: Mr. D. I. Kutusov, Viale Liegi, Via Lovanio 5, Roma. The seat of the commercial department of the Trade Delegation is in Milan, Corso Italia 3. Office in Genoa: Mr. P. B. Bravermann.

Japan: Mr. P. B. Anikeyev, Trade Delegation of U. S. S. R. in Japan, Tokio. Branch in Kobe: U. S. S. R. Trade Representation in Japan, 38 Naka-Machi, Kobe. Branch in Hakodate: U. S. S. R. Trade Representation in Japan, Hakodate.

Latvia: Mr. I. B. Shevtzov, 11 Rue D'Albert, Riga.

Lithuania: Mr. I. B. Shevtzov, 12 Prospekt Witowta, Kovno.

Mongolia: Mr. P. M. Nikiforov, Lovo-Botor, Urga.—Branch at Kobdo: Mr. H. V. Goldstein.

Norway: Mr. I. I. Elerdov, Tordenskjölds plass, 3-4, Oslo. Branch in Vardö: Mr. F. I. Antufyev, Dampskidskaigaten, Grand Hotel, Vardö.

Persia: Mr. B. G. Mdivani, Teheran.

Poland: Mr. M. I. Firsov, Marszalkowska 113, Warsaw. Branch in Danzig: Mr. T. I. Patashenok, Vorst.-Graben 1a, Danzig.

Sweden: Mr. Mironov, Kungsdatan, 4a, Stockholm.

Turkey: Mr. A. A. Yuriev, Angora, c/o Plenipotentiary Representative of the U. S. S. R. Constantinople: Mr. A. A. Yuriev, 464 Grande Rue de Pera, Constantinople.

#### **Changes in the Diplomatic Personnel of the U. S. S. R.**

Mr. V. S. Dovgalevsky was relieved of his post as Plenipotentiary Representative of the Soviet Union in Sweden and appointed to a similar diplomatic post in Japan.

Mr. V. L. Kopp, Plenipotentiary Representative of the Soviet Union in Japan, was relieved of his duties and appointed Plenipotentiary Representative of the Soviet Union in Sweden.

#### **Soviet Consulate in Danzig**

By the end of December, 1926, a Consulate General of the Soviet Union, headed by Mr. Kalina, was opened in the Free City of Danzig.

## **Publications Received**

**AMERICAN TRADE AND INDUSTRY** (in Russian), New York, No. 10, December 30; No. 1-2, January, 1927.

Contents of No. 10, 1926.—Leading Articles: Export of American Capital; The American Merchant Marine; Automobile Production of the United States. The monthly review of business conditions in the United States gives a condensed account of principal developments during November, 1926, in the industrial and commercial fields and discusses in some detail the grain, cotton, and petroleum markets. Shorter special articles deal with market conditions and price movements in the fur trade, also with certain technical aspects of American sole leather production. The number contains also letters from Argentina, discussing the La Plata lumber trade; also regulations regarding packing and marking of food products, a letter from Uruguay, discussing sheep raising and the wool trade in that country and one from Brazil dealing with coffee exports.

Contents of Nos. 1-2, January, 1927.—This is essentially an annual review number. The opening article discusses at some length economic developments in the United States during 1926, under the heads of price movement, agriculture, coal, oil, iron and steel, non-ferrous metals, building operations, automobiles, textiles, transportation, foreign trade, government finance, currency, banking, money markets, foreign exchanges, etc. Conditions in the several oil fields, questions of corporate organization and financial results of operation in the oil industry, the present cotton crisis and proposed remedies, and Soviet export trade with the United States during the year ending September 30, 1926, are treated in special articles. Market reviews deal with Soviet export articles, such as flax, wool, horse hair, bristles, sturgeon and wood flour. An article entitled "Facing 1927" presents in condensed form the forecasts by leaders of American trade and industry for the new year, while the article "Conditions in Soviet Russia" gives the gist of a controversial discussion at a recent meeting of the Foreign Policy Association. A new feature of the Journal is a review of American trade literature, so far as it relates to commodities in which the Soviet trading organizations are interested.

Both numbers contain numerous current items taken from daily and trade publications, bibliographic notes and short reviews of newly published books relating to trade and industry, the most recent official statistics of United States trade, industry, banking and finance, and last, but not least, a very complete list of commodity prices in American markets.

## Miscellaneous News

### The New Census of the Soviet Union

Bulletins on the new census being completed in the U. S. S. R. show remarkable increases of the population of the cities since the urban census of three years ago. Moscow has passed the two million mark, having increased its population 33 per cent in three years, Leningrad, with the revival of industry, has shown a gain of 50 per cent. A list of 1,523 cities and towns shows a gain of 21 per cent during the three-year period. The male population increased by 22.4 per cent and the female by 19.7 per cent. According to reports published on January 25, 1927, the total urban population of the U. S. S. R. is not less than 25,300,000.

The largest cities showed the following gains: Moscow, 2,018,286, as compared with 1,511,045 three years ago; Leningrad, 1,611,103, as compared with 1,067,328; Kiev, 491,333, as compared with 432,734; Baku, 433,333, as compared with 244,852; Odessa, 411,111, as compared with 316,762; Kharkov, 407,578, as compared with 310,264; Rostov-on-Don, 302,416, as compared with 236,421; Tashkent, 294,349, as compared with 263,871, and Tiflis, 275,915, as compared with 233,958.

The unusual gain in the case of Baku is partly due to the inclusion of new industrial suburbs within the city limits.

Complete data for the entire territory of the Soviet Union are not available as yet, but according to information on hand, it is estimated that the total population of the Soviet Union is about 143,500,000, an increase of 38 per cent over the population of the same territory in 1897 (104,000,000), when the last general census was taken.

### Birth and Death Rates in the Soviet Union

In 1913 the annual death rate for European Russia was 28 per 1,000 of population. In 1923 this ratio had declined to 21 per 1,000. This reduction in the death rate means a saving of 975,000 lives a year for the Soviet Union in comparison with pre-war times.

The birth rate has risen simultaneously with the fall in the death rate. In 1913 the natural yearly increase of population in European Russia amounted to 16 per 1,000. In 1923 this figure had risen to 19 per 1,000 (an increase of 19 per cent). The infant death rate has also dropped considerably. Thus, in 1913 there were 26 deaths out of every 100 infants, whereas in 1924 the rate was 17, marking a decrease of approximately 27 per cent in the infant death rate.

### Basic Power Equipment of the U. S. S. R.

According to the data of the Chief Electrical Administration, the basic power equipment of the large scale ("census") industry was as follows:

	Number of Units	Total Horsepower
Steam Engines.....	24,300	2,773,400
Internal Combustion Engines and Water Turbines.....	21,200	927,400
Other Small Mechanical Engines.....	191,900	952,700
Total .....	237,400	4,653,500

The number of steam boilers in the U. S. S. R. amounts to over 50,000, constituting a total heating surface of about 3,500,000 square meters.

Most of the engines and boilers were installed before the Revolution. As a result, it will be necessary in the course of the next five years to renew the equipment to the extent of 51 per cent of the total engine power and 53.5 per cent of the heating surface of the boilers. In this number are included 29 per cent of the engine power and 36.5 per cent of the boiler surface which are in need of immediate replacement.

The approximate value of the equipment that is to be replaced within the next five years is 534,000,000 rubles (\$275,000,000), and that subject to immediate replacement 334,000,000 rubles (\$172,000,000).

### Far-Eastern Timber Concession

Negotiations covering the grant of a timber concession in the Russian Far East to a large Japanese syndicate known as the "Rorio Ringio Kumiai" were completed during the early part of January. The concession agreement was filed with the Council of People's Commissars of the Soviet Union for confirmation.

In a conversation with a correspondent of the Soviet Union Telegraph Agency ("TASS") the representative of the syndicate, Mr. Umeura, furnished the following details in connection with the termination of the negotiations:

Under the agreement the concessionary syndicate is granted three forest allotments embracing a total area of 1,100,000 hectares (2,700,000 acres) along the shores of Tatar Gulf in the Maritime Province of the Far-Eastern Region. The concession period allows six years for working the forest allotments and one year for exporting the timber produced.

The "Rorio Ringio Kumiai" organization consists of a combination of ten large Japanese firms with capital aggregating up to 300,000,000 yen (about \$150,000,000).

### Construction of the Dnieprostroy Plant

The Soviet Government has decided to entrust the construction of the electric superpower plant "Dnieprostroy" to Soviet engineers, with the understanding that they resort freely to the expert advice of the most eminent foreign specialists. Work will be started during the current building season and will be carried on in accordance with the latest American methods. The equipment will be imported from abroad. The construction is to be completed in four and a half years, and the cost will amount to about \$60,000,000.

### Restoration of Black Sea Cable

Upon his arrival at Odessa on December 13, 1926, Mr. Herbert Tritton, Chairman of the Board of Directors of the Indo-European Telegraph Company, a British firm, stated that his company intends to open the Black Sea submarine telegraph cable in the near future, this being the shortest line between the Soviet Union and Turkey (via Odessa). The Soviet and Turkish Governments have already given their agreement to this step. The line has been out of service for several years and telegraphic communication with Turkey has been maintained by way of Trebizond or European points.

### American Business Men and Engineers in the U. S. S. R.

Mr. Charles H. Smith, vice-president of the American-Russian Chamber of Commerce, recently arrived in Moscow to establish a permanent office there on behalf of American business interests. Col. Hugh L. Cooper, builder of Muscle Shoals, is paying his second visit to Moscow in connection with the inauguration of the work on the big Dnieper dam project, which will be the largest hydro-electric development in Europe. In his recent address before the Commercial Club of Moscow Colonel Cooper predicted that American technicians would have an important role to play in the development of the huge natural resources of the Soviet Union.

### Changes of Geographical Names

The name of the City of Pishpek in the Kirghiz Autonomous Republic, in Soviet Central Asia, was changed to "Frunze." The name of the city of Ekaterinoslav in the Ukraine was changed to "Dnepropetrovsk."

#### PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU

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Patent Law of the U. S. S. R.....	15c
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Fifteen Cents

April, 1927

Vol. V. No. 4

## The Financial System of the Soviet Union

## Foreign Trade of the Soviet Union

## Industrial Construction Work in 1926-27

## Anglo-Soviet Exchange of Notes

## Electric Power Plants in the U. S. S. R.

## Census Figures of the Soviet Union

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
<b>The Financial System of the Soviet Union:</b>		<b>Electric Power Plants in the U. S. S. R.</b>	63
Currency .....	58	Population of the Soviet Union .....	64
The Banking System .....	59	<b>Foreign Relations of the Soviet Union:</b>	
Savings Banks .....	59	Chamberlain's Note to the Soviet Govern-	
The State Bank of the U. S. S. R. ....	60	ment .....	65
The Federal Budget .....	60	Litvinov's Note to the British Government	67
Republican Budgets .....	61	Changes in Soviet Diplomatic Service .....	70
Local Budgets .....	61	Publications Received .....	70
State Debt of the U. S. S. R. ....	61		
<b>Foreign Trade of the Soviet Union:</b>		<b>Miscellaneous News</b>	
Foreign Trade October 1926-January 1927..	61	New Soviet Internal Loan .....	71
Soviet-American Trade .....	62	Col. Cooper Consulting Engineer for Dnieper	
<b>Industrial Progress:</b>		Superpower Plant .....	71
Appropriations for Major Construction Work	62	American Mining Experts in U. S. S. R. ....	71
Soviet Leather and Shoe Industry .....	62	Concession Agreement with "Deruluft" .....	72
Output of Iron, Copper and Manganese Ores	63	Leningrad Port Closed Until Spring .....	72
Soviet Industries in January .....	63		

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# SOVIET UNION REVIEW

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## The Financial System of the Soviet Union

**S**HORTLY after the Soviet revolution all existing banks were nationalized and fused with the State Bank, the joint institution being known as the People's Bank. By 1920, the height of the period of military communism, even this bank ceased to have any function to perform and was abolished. There followed what is known as the "bankless" phase of the revolution. All supplies tended to become concentrated in the hands of the Government; industry secured its raw materials, not by purchase, but by direct assignments from the government out of available stocks, and the population was similarly supplied with essential articles of consumption by a system of universal rationing. Methods of trade were largely superseded and the use of money limited to a very small sphere of commodity exchange. The devaluation of the currency which naturally resulted was intensified by a more or less deliberate attempt to discredit and abolish the use of money altogether by excessive use of the printing press. The process of depreciation did not cease, however, with the reversal of economic policy in April, 1921, when money was restored to its former function. On the contrary, the printing press was worked with even greater intensity, since the exhaustion of civil war and the advanced stage of economic disorganization left the government for the time being with little other source of revenue.

By 1922 the ruble as a unit of reckoning had declined to such an extent as to become practically useless. A new monetary unit was instituted called the "1922 ruble", equivalent to 10,000 rubles of previous issues. A year had barely elapsed before progressive inflation had rendered even the 1922 ruble too minute in value, and another monetary unit was instituted known as the "1923 ruble", made equivalent to 100 rubles of the 1922 issue, i. e., one million rubles of previous issues. The 1922 and prior issues were subsequently withdrawn from circulation.

Meanwhile, with the rapid revival of trade and industry, the need for a stable medium of exchange became urgent, and it was primarily to meet this problem that the State Bank of the R. S. F. S. R. (Russian Socialist Federal Soviet Republic)—later the State Bank of the U. S. S. R. (Union of Soviet Socialist Republics)—was created in November, 1921. A year later it was empowered to issue its own note, known as the chervonetz (equal to ten gold rubles), backed by a

reserve of gold and stable foreign currencies. The gold chervonetz contains 119.4826 grains of fine gold, and is equivalent to \$5.146. The new note proved to be highly stable, thanks to the cautious issue policy pursued by the bank. As the bank rapidly accumulated stable assets the note issue was expanded and for two years the curious phenomenon was observed of a stable currency circulating side by side with a highly inflated and catastrophically depreciating currency.

Vigorous measures were meanwhile being taken to rehabilitate the State finances and render the use of the printing press unnecessary. This was more or less accomplished in the beginning of 1924. The 1923-24 budget was the first to be balanced since the outbreak of the war, and in March, 1924, were passed the decrees constituting the currency reform. These provided for the issue of a new treasury ruble, measured in terms of gold, supplemented by silver and copper coin of pre-war metal content. The State Bank exchanges its own note for ten rubles of the new currency, and this is the rate universally established. By law the total amount of treasury notes issued must not exceed one half of the amount of chervontzi in circulation. The old depreciated rubles were withdrawn from circulation at the rate of 50,000 rubles of the 1923 pattern (i. e., 50,000,000,000 rubles issued prior to 1922) for one new ruble.

The present currency system of the U. S. S. R. accordingly consists of State Bank notes (backed by a gold reserve), treasury notes (limited to one-half of the amount of State Bank notes in circulation), and silver and copper coins. The volume of money of various kinds in circulation on January 1, 1925, and January 1, 1926, was as follows:

	Jan. 1, 1925 Rubles	Jan. 1, 1926 Rubles	Jan. 1, 1927 Rubles
State Bank notes	410,832,000	726,639,600	812,259,000
Treasury bills	229,148,400	387,737,300	427,402,000
Silver coin	73,550,500	141,941,800	162,252,000
Copper coin	1,819,900	7,623,700	8,680,000
Bronze coin			2,040,000
Small change notes (1, 3 and 5 kopecks)	27,297,900	5,356,200	
Total	742,648,700	1,269,298,600	1,412,633,000

The parity of the gold ruble is 51.4567 cents.

### The Banking System

November 16, 1926, marked the fifth anniversary of the inception of the Soviet banking and credit system. The State Bank during its first year enjoyed a virtual monopoly, but the rapid economic recovery of the country stimulated the creation of a banking system, which in view of the short interval involved, is of rather remarkable extent and complexity. This system consists of the central banks, such as the State Bank, the Commercial and Industrial Bank, the Bank for Foreign Trade, the Bank for Electrification, the All-Russian Co-operative Bank, the Central Municipal & Building Bank; banks serving specific territories, such as the Central Asiatic Commercial Bank, the Far Eastern Bank, the North Caucasian Commercial Bank, the Ukrainian Co-operative Bank; the numerous municipal banks of the large cities, and the communal banks of the constituent republics; the Central Agricultural Bank with its numerous subordinate regional agricultural banks and agricultural credit societies; the savings banks and the private banks known as Mutual Credit Societies. In all, this system of banks with their branches and agencies comprises over 1,400 units, not counting the savings banks which exceed 14,000 in number.

*Soviet Banking System as of September 1, 1926*

	<i>Banks</i>	<i>All Operating Units</i>
State Bank of U. S. S. R.....	1	488
<b>Banks of Federal Scope:</b>		
Commercial & Industrial Bank.....	1	89
All-Russian Cooperative Bank.....	1	62
Bank for Foreign Trade.....	1	10
Central Agricultural Bank.....	1	1
Bank for Electrification.....	1	4
Central Municipal & Building Bank.....	1	3
<b>Total.....</b>	<b>6</b>	<b>169</b>
<b>Banks of Republican and Regional Scope:</b>		
Moscow City Bank.....	1	77
North-Caucasian Bank.....	1	1
Far Eastern Bank.....	1	12
Central Asiatic Commercial Bank.....	1	13
All-Ukrainian Cooperative Bank.....	1	37
Agricultural Bank of R.S.F.S.R.....	1	1
Regional Agric. Banks and Agr. Credit Societies of R.S.F.S.R.....	7	78
Ukrainian Agricultural Bank.....	1	2
White-Russian Agric. Bank.....	1	7
Transcaucasian Agric. Bank.....	1	1
Uzbek Agricultural Bank.....	1	10
Turkoman Agricultural Bank.....	1	1
<b>Total.....</b>	<b>18</b>	<b>240</b>
<b>Local Credit Establishments:</b>		
Municipal Banks.....	44	112
Agricultural Credit Societies.....	58	111
Mutual Credit Societies.....	283	283
Municipal Lombard Houses.....	25	25
<b>Total.....</b>	<b>410</b>	<b>531</b>
<b>Total for U. S. S. R.....</b>	<b>435</b>	<b>1,428</b>

The same number is distributed as follows according to the six Constituent Republics of the Soviet Union:

	<i>Banks</i>	<i>All Operating Units</i>
Soviet Russia Proper (R.S.F.S.R.).....	253	978
Ukraine.....	129	284
White Russia.....	16	37
Transcaucasia.....	26	64
Uzbek Republic.....	8	51
Turkoman Republic.....	3	14
<b>Total for U. S. S. R.....</b>	<b>435</b>	<b>1,428</b>

The total number on October 1, 1925, was 303 establishments with 1,221 operating units.

### Savings Banks

The number of savings banks in the Soviet Union was 14,740 at the beginning of 1927. The number of depositors was 1,586,422 on February 1, 1927, when the total deposits amounted to 125,-059,100 rubles (\$64,405,300). Deposits amounted to 86,010,200 rubles on October 1, 1926, and to 32,580,600 rubles on October 1, 1925.

### Balance Sheet Totals of Soviet Banks

The combined total of the balance sheets of all banking establishments of the Soviet Union (not including the savings banks) has increased from 5,473,348,000 rubles (\$2,818,774,000) on October 1, 1925, to 6,349,614,000 rubles (\$3,270,051,000) on September 1, 1926. The table below shows the aggregate balance sheets of the various classes of banking establishments:

### Balance Sheet Totals of Soviet Banks as of September 1, 1926

	<i>Rubles</i>
State Bank of the U. S. S. R.....	3,502,022,000
Joint Stock Banks (including Industrial Bank, Bank for Foreign Trade, Bank for Electrification, North Caucasian Bank, Far Eastern Bank, and Central- Asiatic Commercial Bank).....	885,840,000
Municipal Banks (including Moscow City Bank, Central Bank for Municipal Econ- omy, and all Municipal Banks).....	651,254,000
Cooperative Banks (including the All-Rus- sian Cooperative Bank and the All- Ukrainian Cooperative Bank).....	226,207,000
Agricultural Credit Banks and Societies.....	972,477,000
Mutual Credit Societies.....	100,488,000
Municipal Lombard Houses.....	11,326,000
<b>Total.....</b>	<b>6,349,614,000</b>
	<b>(\$3,270,051,000)</b>

The following table shows the main items of the balance sheets of the principal Soviet banks as of October 1, 1925, and October 1, 1926:

*Main Items of Central Banks, in Millions of Rubles*

	Oct. 1, 1925	Oct. 1, 1926
<b>State Bank of U. S. S. R.:</b>		
Balance Sheet Total .....	3,403.3	3,502.0*
Deposits and Current Acc'ts.....	397.5	644.1
Loans and Discounts .....	1,394.1	1,604.9
<b>Commercial &amp; Industrial Bank:</b>		
Balance Sheet Total .....	541.2	587.8
Deposits and Current Acc'ts.....	228.8	185.7
Loans and Discounts .....	332.5	356.6
<b>Bank for Foreign Trade:</b>		
Balance Sheet Total .....	143.8	151.1†
Deposits and Current Acc'ts.....	41.2	28.0
Loans and Discounts .....	90.2	91.8
<b>All-Russian Cooperative Bank:</b>		
Balance Sheet Total .....	137.9	190.8
Deposits and Current Acc'ts.....	52.0	52.8
Loans and Discounts .....	72.7	102.6
<b>Moscow City Bank:</b>		
Balance Sheet Total .....	197.3	271.7
Deposits and Current Acc'ts.....	90.5	111.5
Loans and Discounts .....	140.2	214.5
<b>Central Agricultural Bank:</b>		
Balance Sheet Total .....	174.0	250.2
Deposits and Current Acc'ts.....	20.1	15.7
Loans and Discounts .....	145.0	210.7

**State Bank of the U. S. S. R.**

The State Bank of the U. S. S. R. was founded November, 1921, with a capital of two billion paper rubles subscribed by the government, supplemented later by similar subventions. When the bank's resources in May, 1923, were recomputed in terms of its own stable notes, the capital was fixed at 50,000,000 gold rubles. This was increased in October, 1924, to 100,000,000 gold rubles. The State Bank has 488 branches to which are to be added about 500 offices of the Treasury, which last year began to function as agencies of the State Bank.

**Issue Department of the State Bank of U. S. S. R.**

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of March 1, 1927, expressed in chervontzi valued at \$5.14½, with comparison of Oct. 1, 1926, follows:

	March 1, 1927 Chervontzi	Oct. 1, 1926 Chervontzi
<b>Assets</b>		
Gold coin and bars .....	16,441,884	15,334,549
Platinum .....	3,038,356	3,056,163
Foreign currency .....	8,185,860	5,119,788
Drafts in foreign currency.....	266,490	192,888
Bills in chervontzi .....	60,981,543	64,210,745
Securities covering advances.....	85,867	85,867
<b>Total .....</b>	<b>89,000,000</b>	<b>88,000,000</b>
<b>Liabilities</b>		
Bank notes transferred to State Bank .....	85,851,088	85,677,080
Balance to which notes may still be issued .....	3,148,912	2,322,920
<b>Total .....</b>	<b>89,000,000</b>	<b>88,000,000</b>

\* On September 1, 1926.

† On August 1, 1926.

**Budget**

The federal budget of the Soviet Union is made up of four main sources of revenue: taxation, direct and indirect; the gross earnings of enterprises directly operated by the government, such as the posts and telegraph and means of transport (the expenditure for the maintenance of these services being a charge to the federal budget); taxation of the profits of nationalized industry, trade and banking, not directly operated by the government; and State loans. Revenue from taxation in the last few years comprised from 45 to 47 per cent of the total budget, with a slight proportionate increase in the budget for the present year. The growth of State revenues since 1922-23, the first year after the revolution in which an attempt was made to construct a firm budget, was as follows:

	Rubles
1913 .....	3,605,000,000
1922-23 .....	1,460,000,000
1923-24 .....	2,298,100,000
1924-25 .....	2,935,200,000
1925-26 .....	3,876,900,000
1926-27 (projected) .....	5,002,373,000

The 1923-24 budget was the first post-revolutionary budget to be balanced. The two subsequent years resulted in a surplus of revenue over expenditure, and the present year is budgeted to produce a surplus of 100 million rubles.

The projected budget for the fiscal year 1926-27 has been finally approved as follows:

<b>Revenue</b>	
Taxation (including customs and excise).....	2,333,566,491
Posts & Telegraphs .....	162,000,000
Transport .....	1,631,255,883
State industry, trade, banks and Natural Resources .....	553,747,356
State Loans .....	220,000,000
Other .....	101,803,778
<b>Total .....</b>	<b>5,002,373,508</b>
<b>Expenditure</b>	
State Departments .....	696,661,923
Defense .....	692,559,600
Posts & Telegraphs .....	159,000,000
Transport .....	1,695,183,135
Economic Development .....	901,309,100
Debt Service .....	99,100,000
Aid to Local Government Bodies .....	442,415,383
Other .....	216,144,367
Reserve .....	100,000,000
<b>Total .....</b>	<b>5,002,373,508</b>

The postal and telegraphic services are expected to produce a surplus of revenue over expenditure of three million rubles in the present year, after allowing for capital improvement, whereas the plans for transport expansion are estimated to result in a deficit of 64 million rubles in these services. It is noteworthy that, while the present

year's budget provides for a general increase of about 29 per cent over the past year, the expenditure for national defense will be increased only 14 per cent. The most significant item in the budget is the assignment of 901 million rubles for economic development, as compared with 563 million rubles last year—an increase of about 60 per cent, by far the largest proportionate increase in this year's budget. This sum includes 150 million rubles to be expended on agricultural improvements—irrigation, combating drought, the development of uncultivated areas, etc., 494 million rubles for capital investment in nationalized industry, 88 million rubles for electrification, etc.

### Republican Budgets

Each of the six constituent republics constructs its own budget which, together with the All-Union revenues and expenditures, go to make up the federal state budget above described. The main sources of revenue are percentage deductions from federal taxes collected within the territories of the republics; the exploitation of industrial and trading enterprises directly controlled by the republics; the leasing of forests and mineral wealth. The joint State revenues of the constituent republics during the past few years were as follows:

	Rubles
1923-24 .....	184,000,000
1924-25 .....	541,800,000
1925-26 .....	993,400,000

The republican budgets for the present fiscal year 1926-27 are estimated as follows (in rubles):

Republic	Revenue	Expenditure
R. S. F. S. R. ....	861,395,471	851,726,750
Ukraine .....	235,875,301	245,027,570
White Russia .....	46,110,242	46,332,648
Transcaucasia .....	72,921,672	85,398,440
Turkoman Republic .....	8,874,765	18,600,346
Uzbek Republic .....	33,946,472	55,209,756
	1,259,123,923	1,302,295,510

It will be noted that only the R. S. F. S. R. presents a balanced budget. The remaining budgets are estimated with deficits varying in inverse proportion to the state of economic development of the respective republics. The deficit of the republics is met out of the All-Union revenue.

### Local Budgets

The budgets of the local government bodies (provincial, rural district, city and village executive committees) during the last few years aggregated as follows:

Revenues Rubles	Expenditures Rubles
671,000,000 .....	649,300,000
1,059,400,000 .....	1,020,629,000
1,401,700,000 .....	1,329,600,000
1,574,300,000 .....	1,574,000,000

### The State Debt of the Soviet Union

The Soviet Government, since it came into existence in November, 1917, has contracted no foreign debts.

The State debt of the Soviet Union, as of December 1, 1926, amounted to 703,500,000 rubles (\$362,300,000). This debt was divided into the following categories:

	Rubles
First Lottery Loan, 1922 .....	100,000,000
Second Lottery Loan, 1924 .....	51,200,000
Eight per cent Internal Gold Loan, 1924 .....	70,400,000
First Peasant Loan, 1924 .....	1,700,000
Second Peasant Loan, 1925 .....	88,600,000
Five per cent Short Term Loan, 1925 .....	200,000
Second 8 per cent Internal Gold Loan .....	52,600,000
Economic Reconstruction Loan .....	222,600,000
Short Term Treasury Bonds .....	86,200,000
Internal Lottery Loan, 1926 .....	30,000,000
Total .....	703,500,000

### Foreign Trade of the Soviet Union

DURING the opening quarter (October-December) of the current fiscal year 1926-27 the favorable foreign trade balance of the Soviet Union has shown a steady increase. For the entire first quarter Soviet exports amounted to 208,300,000 gold rubles (approximately \$107,270,000), while imports aggregated 131,900,000 gold rubles (\$67,930,000) in value. The favorable balance of trade for the initial quarter thus stands at 76,400,000 gold rubles (\$39,300,000), as against an unfavorable balance of 29,700,000 gold rubles (\$15,290,000) for the first quarter of the preceding fiscal year.

The following table shows the foreign trade done by the Soviet Union with individual countries during the first quarter of 1926-27:

#### Soviet Exports and Imports in Millions of Rubles

Country	Soviet Exports First Quarter		Soviet Imports First Quarter	
	1926-27	1925-26	1926-27	1925-26
England .....	68.2	59.2	26.5	42.7
Germany .....	49.8	32.2	29.2	39.3
France .....	17.3	13.1	2.4	5.7
Italy .....	14.2	8.1	0.9	6.5
Latvia .....	13.4	7.6	0.3	1.4
Holland .....	7.9	7.3	0.7	4.6
Denmark .....	4.4	4.0	0.1	0.4
Belgium .....	4.2	5.8	.....	1.6
Finland .....	3.2	2.1	4.3	6.5
Estonia .....	2.9	1.3	1.2	1.2
United States .....	2.4	7.7	32.6	31.0
Egypt .....	2.2	0.2	4.3	8.7
Poland .....	1.8	0.8	5.3	3.0
Sweden .....	1.8	0.3	3.3	5.0
Czechoslovakia .....	0.2	.....	1.5	7.9
Australia .....	.....	.....	1.7	4.6
Other Countries .....	14.4	14.9	17.6	24.2
Total .....	208.3	164.6	131.9	194.3

During the first two months (October and November) of the fiscal year 1926-27 a total of 673

vessels entered the ports of the Soviet Union and 710 departed. The incoming cargo amounted to 323,000 metric tons, while the outgoing cargo aggregated 1,619,000 metric tons.

#### Soviet Foreign Trade for First Four Months of 1926-27

Figures compiled by the People's Commissariat for Trade and Commerce of the U. S. S. R. show that the country's foreign trade turnover for the first four months (October-January) of the fiscal year 1926-27 amounted to 433,600,000 rubles for goods moving across the European frontiers. The following table shows imports, exports and balance for this period in millions of rubles (the ruble stands at its par value of approximately 51½ cents):

	Ex- ports	Im- ports	Turn- over	Favorable Balance
First Quarter of 1926-27				
(October-December).....	208.3	131.9	340.2	76.4
January, 1927.....	55.3	38.5	93.8	16.8
Total for 4 months.....	263.6	170.4	434.0	93.2

The first four months of the fiscal year 1926-27 thus showed a favorable foreign trade balance of 93,200,000 gold rubles, as compared with an unfavorable balance of 56,100,000 gold rubles for the corresponding months of 1925-26.

The month of January yielded a favorable balance of 16,800,000 gold rubles, as against an adverse balance of 26,400,000 gold rubles for the same month in 1926.

#### Soviet-American Trade

Figures published recently by the American-Soviet Trading Companies concerning their activities for the calendar year 1926, indicate a trade turnover of about \$70,000,000 between the United States and the Soviet Union.

The four trading companies, the Amtorg Trading Corporation, the All-Russian Textile Syndicate, Centrosoyus (Central Union of Consumers' Cooperatives), and Selskosojus (Union of Agricultural Cooperatives), reported exports from the United States valued at \$45,920,323 and imports valued at \$13,435,789. Not included in these figures are imports of manganese (estimated at about \$6,500,000), and imports of furs and other articles by American firms under concession, all of which would bring the total turnover to about \$70,000,000.

Imports for the year showed a substantial gain over 1925. Exports showed a decrease of about 45 per cent. During the same period German exports to the Soviet Union increased about 70 per cent and Germany took first place in the Soviet import trade, which the United States had occupied during the previous year.

The principal American exports during the year were cotton \$30,224,574, non-ferrous metals

\$2,013,842, industrial equipment \$4,398,096, agricultural machinery and implements \$5,931,085, including tractors \$4,189,027, automobiles, motorcycles and motor busses \$2,089,527.

The principal imports into the United States were furs \$6,397,266, casings \$1,897,408, flax and tow \$1,352,091, hides and skins \$1,233,714, bristles \$750,480.

In addition to its business in the United States the Amtorg Trading Corporation shipped from Argentina to the Soviet Union during the year hides valued at \$6,287,131.

### Industrial Progress

ON February 15, 1927, the Council of People's Commissars of the Soviet Union passed a decree fixing at 946,978,000 rubles (\$487,694,000)—including 7,000,000 rubles for the Dnieper superpower project—the total to be expended during the fiscal year 1926-27 on major construction work in the industries under the supervision of the Supreme Council of National Economy of the Soviet Union, the Supreme Councils of National Economy of the Constituent Republics and their local organs. Of this total 861,858,000 rubles are designated for construction operations of first importance (including 7,000,000 rubles for the Dnieper superpower project), 55,120,000 rubles are to be devoted to works of secondary importance, and 30,000,000 rubles are to be held in reserve.

The total amount is to be distributed as follows:

	Rubles
Metal Industries .....	233,194,000
Electrotechnical .....	16,480,000
Fuel Industries.....	272,531,000
Mining .....	22,043,000
Chemical Industries.....	56,577,000
Timber Industries.....	23,582,000
Paper Industry.....	43,916,000
Textile Industries.....	123,459,000
Agricultural Industries.....	49,418,000
Silicates (Cement, Glass, Ceramics, etc.).....	48,485,000
Printing and Allied Trades.....	2,313,000
Leather Industries.....	8,900,000
Photo-Cinema Industry.....	380,000
Syndicates .....	8,700,000
Dnieper Superpower Plant.....	7,000,000
Undistributed Reserve.....	30,000,000
Total .....	946,978,000
	(\$487,694,000)

The corresponding figure for 1925-26 amounted to 778,000,000 rubles (\$400,670,000).

#### Soviet Leather and Shoe Industry in 1925-26

The number of active enterprises in the State leather industry decreased slightly during the fiscal year 1925-26, but the number of workers showed a substantial increase, the changes being indicated in the following table:

Date	Number of Enterprises	Number of Workers
September, 1925.....	179	39,030
September, 1926.....	177	43,191

The output of small hides showed a large increase (47 per cent), amounting to 8,656,500 units in 1925-26 in comparison with 5,886,300 units for the previous fiscal year. The output of large hides rose by 22 per cent, from 6,798,200 units in 1924-25 to 8,298,800 units in 1925-26. The shoe industry also made very considerable progress, as is evident from the following figures:

	Output in Pairs	
	1924-25	1925-26
Light Shoes.....	5,208,000	7,550,900
Heavy Shoes.....	1,416,000	1,815,100
Total .....	6,624,000	9,366,000

The output of light-weight shoes thus increased 45 per cent for the fiscal year, while the production of heavy-weight shoes was 28.2 per cent larger.

#### Output of Iron, Copper and Manganese Ores

During the fiscal year 1925-26 the output of iron ore in the Soviet Union increased 48 per cent over the previous year, the output of copper pyrites 98 per cent and the output of manganese concentrates 71 per cent.

The output, in metric tons, is shown in the following table:

	1925-26	1924-25
Iron ore .....	3,259,400	2,207,000
Copper pyrites .....	352,200	178,300
Manganese (concentrates) .....	978,600	570,200

#### Soviet Industries in January

The total value of the gross output of the large scale State industries for January, 1927, amounted to 705,200,000 rubles, as against 746,200,000 rubles in December, 1926, a reduction of 5.5 per cent. As compared with the value of the output for January, 1926, the output shows an increase of 24 per cent.

The coal output for January, 1927, shows a reduction of 10.5 per cent, as compared with the preceding month, having decreased from 2,733,200 metric tons in December to 2,446,200 metric tons in January, 1927. The increase over the figure of January of the preceding year (1926) amounts to 21 per cent.

The output of the oil industry decreased from 884,000 metric tons in December, 1926, to 831,000 metric tons in January, 1927, a reduction of 6 per cent. As compared with January, 1926, the output has increased 31 per cent.

The smelting of pig iron shows a reduction of 3.4 per cent, from 251,400 metric tons in December, 1926, to 242,900,000 metric tons in January 1927; the output of Martin steel shows a reduc-

tion of 3.3 per cent, from 301,000 metric tons in December, 1926, to 291,000 metric tons in January, 1927, and rolling iron shows a decrease of 3.5 per cent, from 230,700 metric tons in December, 1926, to 222,700 metric tons in January. As compared with the output of January of the previous year (1926) pig iron shows an increase of 34 per cent, Martin steel 24 per cent, and rolled iron 33 per cent.

The output of cotton yarn decreased from 23,196 metric tons in December, 1926, to 21,827 metric tons in January, 1927; the output of unfinished cloth decreased from 207,100,000 meters in December, 1926, to 191,600,000 meters in January 1927 (7.5 per cent); and the output of finished cloth decreased from 206,800,000 meters to 189,400,000 meters (8.4 per cent). The corresponding figures for January 1926 were exceeded by 8 per cent, 13 per cent, and 16 per cent, respectively.

In the woolen industry the percentage of decrease, as compared with the preceding month, was 7.3 per cent in the output of yarn and unfinished cloth, and 9.1 per cent in the output of finished cloth. The increase over January, 1926, was 19 per cent, 33 per cent and 37 per cent, respectively.

In all the branches of industry the reduction of the output was caused by the fact that the number of working days in January was smaller than in December.

#### Electric Power Plants in the U. S. S. R.

THE Chief Electric Bureau ("Glavelektro") completed early in 1927 a thorough tabulation of the electric power plants existing in the Soviet Union on October 1, 1926. The census included all of the special-purpose plants (i. e., power plants attached to the transportation system, Post Office Department, etc.), as well as the large public utility power plants. For the first time in recent years the small stations, principally village electric power plants, were counted.

These figures show that on October 1, 1926, the electric power plants in the Soviet Union totaled 2,419, of which 656 were public utility plants, 446 village plants, 731 factory and mill power plants, and 586 special-purpose plants. The combined capacity was 618,862 kilowatts for the public utility plants, 7,705 kilowatts for the village plants, 527,195 kilowatts for the factory and mill electric power plants, and 57,200 kilowatts for the special-purpose installations. The aggregate capacity for all of the electric power plants registered with the Chief Electric Bureau on October 1, 1926, was 1,210,962 kilowatts. Allowing for unrecorded electric power plants of minor size (chiefly village and factory installations), the grand total capacity of all the electric power

plants existing in the Soviet Union on that date may be placed at 1,452,000 kilowatts in round figures.

During the fiscal year 1925-26 (October 1, 1925, to September 30, 1926), the above-mentioned electric plants produced 3,248,000,000 kilowatt-hours of power, of which total 1,121,000,000 kilowatt-hours were turned out by the large regional public utility plants, 1,400,000,000 kilowatt-hours by factory and mill plants, 314,000,000 kilowatt-hours by local municipal plants, and the remainder by the special-purpose plants belonging to the People's Commissariat for Posts and Telegraphs, and the village plants.

In comparison with the pre-war period the power output of the public utility electric plants (regional and local) has more than doubled. Thus, in 1913 Russian power plants of this class produced 690,000,000 kilowatt-hours, as compared with 1,435,000,000 kilowatt-hours for the fiscal year 1925-26.

The following figures indicate the extent to which various branches of Soviet industry have been electrified. The aggregate capacity of electric power plants in all industrial branches is placed at 527,200 kilowatts, of which 132,300 kilowatts fall to the share of the ferrous metallurgical industry, 100,300 kilowatts to the coal-mining industry, 58,000 kilowatts to the machine-building industry, 71,600 kilowatts to the textile industry, 33,200 kilowatts to the silicate industries (cement, glass and ceramics), etc. The average capacity per power plant is 720 kilowatts, ranging from 25 kilowatts in the needle trades to 2,400 kilowatts in the coal industry.

On October 1, 1926, there were 640 local town plants with an aggregate capacity of 224,000 kilowatts, as against 220,000 kilowatts one year prior to that date.

The latest available figures covering village electric power plants were compiled under date of October 1, 1925, when there were 446 such plants with an aggregate capacity of 7,705 kilowatts, the individual plant capacity averaging 17 kilowatts. The construction of village electric power plants has fluctuated from year to year as regards both number of plants and average capacity. Thus, 42 village electric power plants were erected in 1920, 52 in 1921, 37 in 1922, 37 in 1923, 91 in 1924, and 61 in 1925. The corresponding annual figures for average capacity were 18, 16, 12, 29, 17 and 16 kilowatts.

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## Population of the Soviet Union

A REPORT recently presented to the Central Executive Committee of the Soviet Union by the head of the Central Statistical Department covering the results of the nationwide census of 1926 shows that the population of the Soviet Union is now 144,805,000, as compared with 135,600,000 in 1914 and 104,100,000 in 1897 for the same territory as is now embraced in the Union.

Of the above total the Russian Socialist Federated Soviet Republic has 99,670,000, or 69 per cent; the Ukrainian Socialist Soviet Republic—28,879,000, or 20 per cent; the Transcaucasian Federation of Socialist Soviet Republics—5,791,000, or 4 per cent; the White Russian Socialist Soviet Republic, together with the territory ceded to it by the R. S. F. S. R.—4,926,000; the Uzbek Socialist Soviet Republic together with the Tadjik Republic—4,562,000; and the Turkoman Socialist Soviet Republic—987,000.

The final tabulations for the nationwide Soviet census of 1926 are not yet available, but certain general results have already been outlined. In the first place, it is possible to establish the fact that there has been a large increase of the urban population, especially in the case of cities with a population of 100,000 and over. According to the Russian census of 1897 there were 14 cities with a population of 100,000 or more within the present territory of the Soviet Union. At present there are as many as 30 cities of this class, and their respective populations have increased considerably since then. This is particularly clear from the following comparative table of present and past population figures for the 14 cities which had 100,000 or more inhabitants in 1897:

	1897	1926
Leningrad .....	1,267,023	1,611,103
Moscow .....	988,610	2,018,286
Odessa .....	504,651	411,111
Kiev .....	248,750	491,333
Kharkov .....	170,682	407,578
Tiflis .....	159,862	275,915
Tashkent .....	156,506	294,349
Saratov .....	133,116	211,756
Kazan .....	131,508	174,732
Dnepropetrovsk* .....	121,216	187,644
Rostov-on-Don .....	119,889	302,416
Astrakhan .....	113,075	152,543
Baku .....	112,253	444,333
Tula .....	111,048	148,879

The census of 1926 revealed that in addition to the above the following cities in the Soviet Union now count more than 100,000 inhabitants: Nizhni-Novgorod—180,926; Samara—174,509; Krasnodar (Ekaterinodar)—161,998; Stalingrad (Tsaritsyn)—142,254; Sverdlovsk (Ekaterinburg)—130,265; Minsk—123,613; Orenburg—121,324; Novo-Sibirsk (Novo-Nikolayevsk)—120,000; Perm—119,404; Voronezh—115,477;

\*Formerly Ekaterinoslav.

Omsk (not including Novo-Omsk and Leninsk)—113,831; Yaroslavl—112,046; Ivanovo-Voznesensk—110,659; Tver—105,714; Vladivostok—102,207; Samarkand—100,182.

Certain cities, such as Novo-Sibirsk, which did not even exist in 1897, show a rapidity of population increase directly comparable to that of American cities.

The census has also revealed that the female population exceeds the male everywhere in the Soviet Union. This is especially characteristic of Leningrad, where the census figures for 1869, 1881, 1890 and 1897 have shown that to each 100 males there were respectively 72, 82, 86, and 82 females. This change in the relative proportions of the two sexes is a result of the war.

## Foreign Relations of the Soviet Union

ON February 23, 1927, the following note, signed by Sir Austen Chamberlain, British Foreign Secretary, was handed to Mr. Rosenholtz, Chargé d'Affaires of the Soviet Union in London:

The relations existing between his Majesty's Government and the Government of the Union of Soviet Socialist Republics continue notoriously to be of an unsatisfactory nature.

On the 4th June, 1923, the Soviet Government solemnly signed the following agreement:

"The Soviet Government undertakes not to support with funds or in any other form persons or bodies or agencies or institutions whose aim is to spread discontent or to foment rebellion in any part of the British Empire . . . and to impress upon its officers and officials the full and continuous observance of these conditions."

In recalling the terms of this agreement in his Note of the 24th October, 1924, to M. Rakovsky, Mr. Ramsay MacDonald stated that:

"No government will ever tolerate an agreement with a foreign Government by which the latter is in formal diplomatic relations of a correct kind with it, whilst at the same time a propagandist body organically connected with that foreign Government encourages and even orders subjects of the former to plot and plan revolutions for its overthrow. Such conduct is not only a grave departure from the rules of international comity, but a violation of specific and solemn undertakings repeatedly given to his Majesty's Government."

In spite of this warning it has been necessary for me on more than one occasion to draw the attention of the Soviet representative in this country to the continuous breach of this solemn engagement. So long as the present rulers of the Union of Soviet Socialist Republics, be they technically members of the Government or members of the Politbureau, which is the real dominating authority in the Union, or its ambassadors abroad, persist in making public utterances in defamation of Great Britain or in advocacy of a world revolution, no improvement is possible. His Majesty's Government must once again draw attention to the warning given by my predecessor.

This public attitude of men holding high positions in Russia is, moreover, totally inconsistent with the profession of good will given privately by the representatives of the Soviet Government in this country. For instance, M. Krassin, late Chargé d'Affaires of the Soviet Union in London, informed me in October last that he was instructed to state that it was the real desire of the Soviet Government to remove causes of difficulty and to establish friendly relations with his Majesty's Government. Yet, while this very instruction was being carried out by M. Krassin, a regular campaign of public slander and misrepresentation against Great Britain was in process, and not even the Commissar for Foreign Affairs himself, who was, at least nominally, the author of these instructions, could refrain from taking part in this campaign.

His Majesty's Government are indeed well aware of the delusion under which M. Chicherin and many of his colleagues are suffering that Great Britain is continually occupied in plotting against the Union of Soviet Socialist Republics and for this purpose has never ceased to guide the policy of such countries as Poland and the Baltic States and Persia into an orientation directed against Soviet Russia. No impartial study of the policies of those countries, no dispassionate examination of facts and no assurances from his Majesty's Government have availed to dispel an obsession which is as illogical as it is ill-founded. Its continuance, therefore, can only be based on a rooted, even perhaps temperamental, hostility in the minds of the Soviet authorities themselves and a corresponding credulity in regard to false reports from interested informants. M. Chicherin himself in a particularly hostile speech delivered on December 6 to representatives of the Press in Berlin, openly displayed this preference for bad over good sources of information. Out of a mass of inaccurate and tendentious statements it is only necessary to make a single selection in order to illustrate the distorted vision of British policy that appears to haunt the nervous mind of M. Chicherin. He declared that the British periodical the "Near East" had threatened Persia with trouble fomented by

Great Britain if she did not show herself amenable to British desires. An examination of the "Near East" would have shown that no such threat had appeared in it and his Majesty's Government have the right to protest against the malevolent bias which makes pure inventions the basis or support of its policy.

The same credulity and hostility are shown by M. Voroshilov, People's Commissar for War, in his speech to new commanders and political workers in the Soviet Army on September 17, as reported in the Soviet Press; and by M. Unsicht, Vice-Commissar for War, in his article in the "Pravda" of September 15. Extracts from the speeches referred to are attached to this note for purpose of reference.

Again, an Ambassador of the Union, M. Kamenev, was recently reported as stating that the present leaders of the Communist party devoted undue attention to the internal welfare of the Union instead of concentrating their efforts on revolution in foreign countries. The selection as Ambassador of a man who could make such a complaint is a curious comment on the professed desire of the Soviet Government for friendly relations with foreign countries.

Even more aggressive in its hostility towards the British Empire, is the chief organ of the Communist party, the Politbureau, which, as has already been mentioned, is the real Government of Russia and which cannot escape from identification as such, despite all assertions to the contrary. It will be sufficient to quote from the speeches of one of its leading members, M. Bukharin, at the conference of the party and at the enlarged plenary session of the Executive Committee of the Communist International held in Moscow in October and November last. The following quotations will suffice as illustrations of his attitude on those occasions:

"In the event of the further victorious advance of the Canton armies, it is no Utopia to assert that a victorious Chinese revolution will find an immediate echo in the neighbouring colonial countries—India, Indonesia and Dutch India. All this makes China a mighty centre of attraction for the colonial periphery."—"The English miners' strike and the national revolution in China are, it seems to me, the chief spots where Communist parties must apply their efforts, if we do not count the Soviet Union . . . And I think that, as regards these three lines of policy, we have no reason whatsoever to be pessimistic. . ." "We must be ready for anything, and must continue to support the miners' strike with unrelaxed energy. This is why I think that it is fit and meet to end my closing speech at our Fifteenth Party Conference with the following cry: 'Hail to the English miners!' . . ."—"Even should the

Anglo-Russian Committee be fated to live a short life (a prospect which objectively we take into account), we have already advanced a number of auxiliary trenches, as, for instance, the Anglo-Russian Miners' Committee, etc. . . ."—"It is perfectly clear that we must now concentrate the principal and central attack of the Chinese people, of the Kuo Min-tang and of the Communist party into a war against foreign imperialists."—"Mighty masses are marching under the Soviet star under the banner of Communism. Comrades! Our proletariat is ready to do everything to strengthen the forces of world revolution and to facilitate the process thereof. Has not our party proved that it will do everything necessary to defend the cause of world revolution?"—"During the great English strike, during the great China revolution our party—we can and dare to assert this—has shown itself in the forefront. And we here declare that if history shall produce still greater tasks we will throw all our forces into the scale of world revolution and will fight to a victorious finish. . . ."

These attacks by M. Bukharin on the British Empire received the direct approval of the Soviet Government in a speech by M. Rykov, President of the Soviet of People's Commissars, on November 3, when he congratulated the Party Conference on the unanimity with which its resolutions had been adopted.

The last two quotations illustrate the futility of the pretense that the attacks on British interests in China are not instigated and directed by the Soviet Union. The policy of encouragement and assistance to those attacks is, moreover, openly avowed by M. Karakhan, late Soviet Ambassador in Peking, in his speech at Vladivostok reported in the "Rupor" of October 10th, 1926.

Again, M. Semashko, Commissar of Health in a letter published in the "Rabochaya Gazeta" on September 11, repeats his view that contests in the domain of physical culture between Soviet citizens and foreigners "are only admissible where they respond to the interest of the revolutionary movement in the country in question." The aggressive spirit is so strong that all other considerations are subordinated to the cause of revolution.

The hostile character of the contents of the Soviet press is also notorious. Disregarding other organs, it is sufficient to point out that the "Izvestiya" is stated in a decree of the Presidium of the Central Executive Committee of the Soviet Union to be the official organ of the Central Executive Committee; its publishing office is described as a State organ not pursuing objects of commercial profit, and it is exempted from all State taxes. The Soviet Government are therefore directly responsible for what appears in it, that is to say, for such things as the letter of the

Executive Committee of the Communist International in support of the general strike in Great Britain ("Izvestiya," May 8, 1926); the leading article on the same subject; the appeal of the Moscow Soviet in support of the strike; the manifesto of the Executive Committee of the Communist International ("Izvestiya," June 26); the articles on alleged British policy in Persia (October 2 and 8); and lastly the grossly insulting and mendacious cartoon on the front page of the issue of December 29 (representing the British Secretary for Foreign Affairs as applauding the execution of Lithuanian Communists); and the leading article in the same number on the same subject.

In recording this deplorable attitude of the Soviet leaders, his Majesty's Government have no intention of embarking on a controversy with them. Publicly recorded speeches and articles in official organs are incontrovertible facts, about which no argument is possible. Nor can the Soviet Government be under the illusion that their sentiments have passed unnoticed in this country. Not only have they been reported in the daily press, but from time to time men of authority have been compelled to give expression to the indignation inspired by the open hostility of the Soviet Government to the British Empire and their public attacks on British interests. To embody these complaints in a formal note of protest might in the circumstances seem superfluous. But it is right that there should be no misconception in Russia or elsewhere as to the attitude of his Majesty's Government in the matter. The toleration they have shown to Soviet agents and citizens is not to be confounded with ignorance of their designs, nor must it be taken to imply acquiescence in the unprecedented relationship between the two countries.

His Majesty's Government are not concerned with the domestic affairs of Russia nor with its form of Government. All they require is that that Government should refrain from interference with purely British concerns and abstain from hostile action or propaganda against British subjects. But they consider it necessary to warn the Union of Soviet Socialist Republics in the gravest terms that there are limits beyond which it is dangerous to drive public opinion in this country, and that a continuance of such acts as are here complained of must sooner or later render inevitable the abrogation of the Trade Agreement, the stipulations of which have been so flagrantly violated, and even the severance of ordinary diplomatic relations.

His Majesty's Government trust that this protest and warning will be received by the Union of Soviet Socialist Republics with the attention

they require, and that no further cause of complaint may be given. AUSTEN CHAMBERLAIN.

#### *Reply of the Soviet Government*

In reply to the above note Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, addressed the following note to the British Government, dated February 27, 1927:

The Soviet Chargé d'Affaires *ad interim* in Great Britain has transmitted to me telegraphically the Note signed by Sir Austen Chamberlain, the Foreign Secretary, which was handed to him on the 23rd instant and published on the same day in the British press.

The Note begins by stating the quite unquestionable fact of the existing unsatisfactory relations between Soviet Russia and Great Britain. The unsatisfactory character of these relations Sir Austen Chamberlain attempts to explain in his Note, as he so often did in public speeches, in Parliament and outside, by alleged infringements on the part of the Soviet Government of obligations undertaken regarding Great Britain in the domain of propaganda. The Note cites textually the agreement signed by the Soviet Government on June 4, 1923, to the effect that the Soviet Government undertakes not to support with funds or in any other form persons or bodies or agencies or institutions whose aim is to spread discontent or foment rebellion in any part of the British Empire, and to impress upon its officers and officials the full and continuous observance of these conditions.

During the three and a half years which have elapsed since the signing of the said agreement the British Government has repeatedly addressed to the Soviet Government directly and through public statements reproaches of alleged infringements of the said agreement. Rejecting these charges, the Soviet Government has always demanded that they should be based on some definite instances. In violation of the obligation undertaken in the same year, 1923, on behalf of the British Government, by Lord Curzon, the then Foreign Secretary, immediately to bring to the cognizance of the Soviet Government supposed instances of infringement of obligations, not allowing such cases to accumulate without making charges (Lord Curzon's telegram of May 29, No. 127), the British Government has heretofore preferred to make general wholesale reproaches to the Soviet Government, never giving details except in one case, when, during the General Election in Great Britain in 1924, there was made an unsuccessful attempt to corroborate an accusation by reference to the well-known and so-called "Zinovieff letter" of the then President of the Executive Committee of the Communist International.

The Soviet Government, though immediately declaring that it could not assume responsibility for the actions of an international organization which was directed and controlled by delegates of the Communist parties of various countries, in view of the special political role which the latter might play, agreed to submit it to any expert examination and accept the decision of any arbiter. The fact that the British Government declined the proposal of the Soviet Government could not be understood otherwise than as the withdrawal of the accusation, and since then the forgery of the letter has evoked no more doubts from anyone, including Labor circles, holding power in England when the accusation was proffered.

Thus, the only definite charge was based on a faked document, the so-called "Zinovieff letter." At the same time none of the persons who misinformed the British Government was punished, although that forged letter at one time created a threat to peace and strained to the utmost the relations of the two States and left its mark on the whole subsequent development of Anglo-Soviet relations.

With reference to the agreement of June 4, 1923, Sir Austen Chamberlain, in the entire text of the Note, does not adduce a single instance of the infringement by the Soviet Government of this agreement—namely, there was not a single instance of "spreading discontent or fomenting rebellion in any part of the British Empire."

The British Government's Note only enumerates a series of public utterances by Soviet leaders in Russia and newspaper articles in the Soviet press. I must, therefore, mention the fact that between the Soviet Government and Great Britain there exist no agreements limiting the freedom of speech or of the press within the frontiers of the two countries. Just as the British Government did not undertake the obligation on behalf of its citizens to praise or not to criticise the social and political order of the Soviet State, so the Soviet Government undertook no obligation on behalf of its citizens that they should praise or not criticise the social and political order of Great Britain and the capitalist countries generally.

The Trade Agreement of 1921, of the infringement of which the Soviet Government has also been repeatedly and without foundation accused, a clause dealing with propaganda binds the two parties only to "refrain from hostile actions or undertakings against the other party, and from conducting outside its own borders any official propaganda, direct or indirect, against the institutions of the British Empire or the Russian Soviet Republic."

To bring published or verbal utterances made within Soviet Russia within the scope of the

agreement of 1923 or the agreement of 1921 is an arbitrary extension of the limits of these agreements.

I could produce numerous examples of the wide use and, unfortunately, most immoderate abuse of the right to engage in propaganda within Great Britain against the Soviet Government by members of the British Government. I will strictly limit myself to but a few examples. In his speech at Watford, on June 20, Lord Birkenhead, Secretary of State for India, referred to the Soviet Government as "a gang of assassins and robbers" (the "Morning Post," June 22, 1925). At a Conservative meeting at Tunbridge Wells, Mr. Churchill, the Chancellor of the Exchequer, attacking the British Socialists, declared: "Behind all this sinister and unwholesome movement stood the dark power of Moscow. There we had what we had never before, a band of cosmopolitan conspirators gathered from the underworld of the great cities of Europe and America in despotic possession of the still great resources of what was once a mighty and famous Empire, Russia" (the "Morning Post," November 30, 1925). At Bolton Mr. Churchill spoke of the Soviet Government as: "Dark conspirators in the Kremlin in Moscow" (the "Daily Telegraph," June 22, 1926).

Similar attacks can be found in the utterances of Mr. Amery, the Colonial Secretary; Sir Samuel Hoare, Secretary for Air; Sir Laming Worthington-Evans, Secretary for War, and others, not to mention their supporters in the Conservative party such as Mr. A. T. Cook, who at the Conservative Conference at Scarborough on October 7, 1926, called the Soviet Government "a group of international murderers" (the "Morning Post," October 8, 1926), Commander Locker-Lampson, Sir William Davison and others.

Still sharper attacks against the Soviet Union abound in the press of the ruling Conservative party every day, abusing Soviet institutions, the Soviet Government and its representatives in London, and spreading incredible and fantastic lies about the Soviet Union.

It must at the same time be observed that the British representatives in Moscow are enjoying the same diplomatic privileges as the representatives of other countries, and have never been subjected to insults or abuse on the part of the Soviet press as were the representatives of the Soviet Government in London on the part of the British Conservative press. It is impossible to find either in the Soviet press generally or in the articles and speeches to which the British Government refers in its Note any sharp attacks against Great Britain similar to those mentioned above.

It is impossible to regard as anti-British propaganda such things as an analysis or estimate of the foreign policy of the British Government

and its attitude towards the Soviet Union, or arguments by the principal party leaders about the inevitability of world revolution and the importance of the national revolutionary movement in the East, still less the ideas expressed by the People's Commissary of Public Health concerning the significance of physical culture from the viewpoint of the revolutionary labor movement or the appointment of Kameneff as Ambassador to Italy, which has nothing to do with Anglo-Soviet relations and was agreed to by the Italian Government. Within the limits of his party activity Kameneff has voiced his opinions concerning the tasks of his party.

Regarding the "Izvestia," which is considered as the official organ of the Central Executive Committee, since in it all the decrees and decisions of the Government must be published, it may be said that this paper has one of the largest circulations and caters for hundreds of thousands of readers, who must be given all the information interesting to them, including manifestoes and resolutions of the Soviet, as well as of party institutions. The office publishing this paper can no more accept responsibility for the contents of such kind of manifestoes and resolutions than it can for reports which it prints of utterances and statements made against the Soviet Government, including the above-quoted speeches by British Ministers. Here again it must be repeated that the publishing within the Soviet Union of any reports of any verbal statement does not infringe any obligation undertaken by the Soviet Government whatsoever.

Particular dissatisfaction has apparently been caused the British Government by the opinions expressed by Soviet leaders concerning the anti-Soviet course of British policy in third countries. But with no less justification and foundation, could be characterized as delusions the constant references made by the politicians and members of the British Government to the alleged omnipresence and omnipotence of so-called "Soviet agents," who are represented as being responsible for all or any difficulties in the British Empire in all parts of the world.

The Soviet Government deplores the unsatisfactory condition of the relations between Russia and Great Britain indicated in the British Government's Note. It believes, however, that to explain these regrettable circumstances by mutual accusations and an unfriendly tone in the press of the two countries would be to take cause for effect and vice versa.

The Soviet Government would likewise consider it incorrect and undignified to seek an explanation of these conditions in physiological or psychological characteristics of these or other British statesmen. It is inclined to believe that the ab-

normality of these relations consists not only in the fact that the representations made by the two countries do not correspond with the interests of the development of relations between Great Britain and the Soviet Government.

What also matters is that in its relations with the Soviet Union the British Government consciously infringes the usual international customs, and even elementary decency. It periodically thrusts in the face of the Soviet Government indefinite and unfounded accusations, refusing even to discuss them; it avoids settling mutual claims and complaints either diplomatically or through special conferences, committees, or delegations; declining the usual diplomatic ways of settling conflicts, it permits itself to talk to the Soviet Government in the tone of threats and ultimatums; and, lastly, it ignores the constitution of the Union of Soviet Republics, making insistent attempts in its Notes to substitute party or even international institutions for the formal Government of the Union.

The same abnormality of relations is also expressed by the fact that the British Government in its Note permitted itself an unheard of and unprecedented tone towards M. Tchitcherin, the Soviet People's Commissar for Foreign Affairs. The position which the British Government has established with regard to the Soviet State encourages the hostile campaign which finds expression in the coarsely abusive statements in the British Parliament on the part of members of Parliament and even members of the Government and in the British press.

It must be added that the constant attempts by the British Government to minimize and even annul the importance of the fact of the restoration of diplomatic relations together with the authoritative information possessed by the Soviet Government regarding the continued attempts by individual members of the British Government to come to an understanding with ex-Tsarist diplomats and counterrevolutionary representatives working in favor of another insurrection will not allow public opinion in the Soviet Union to forget the role played by Great Britain in the first insurrection.

At the conclusion of his Note, Sir Austen Chamberlain deemed it timely and fit to advance the threat of a complete rupture in commercial and diplomatic relations in the event of the Soviet Government not complying with the new demands which do not arise from the existing Anglo-Soviet agreements and the mutual formal obligations. In declaring that threats against the Soviet Government will have no intimidating effect upon anyone in the Soviet Union, the Soviet Government takes the liberty to express its firm conviction that the conclusion of the Trade Agreement

in 1921 and the subsequent restoration of diplomatic relations corresponded to interests and necessities of the peoples of the Soviet Union as well as those of the British Empire. If the present British Government believes that the rupture of Anglo-Soviet trade and all other relations is called for by the needs of the British people and will serve the British Empire and cause general peace, then, of course, it will act in a suitable manner, assuming full responsibility for the consequences.

On its part, the Soviet Government confirms that the statements of the late M. Krassin, quoted in the Note of the British Government, concerning the desirability of removing all difficulties existing between the two countries and everything giving ground for mutual complaint and of establishing quite normal relations actually correspond to the immutable and sincere wishes of the Soviet Government. In accordance with the decision for peace of the toiling masses of the Soviet Union, which are in entire conformity with the same aspirations of the popular masses of Great Britain, the Soviet Government will in future also pursue its peace-loving policy, which excludes all aggressiveness towards other countries. It will welcome the British Government sincerely if it will go to meet it on this path. M. LITVINOV.

#### Changes in Soviet Diplomatic Service

Mr. A. S. Chernykh was relieved of his duties as Plenipotentiary Representative of the Soviet Union in Latvia, and Mr. I. L. Lorentz was appointed in his stead, having been relieved of his duties as Plenipotentiary Representative of the Soviet Union in Finland.

Mr. S. D. Wolfsohn was relieved of his duties as Trade Representative of the U. S. S. R. in Austria, and Mr. N. I. Uimtsev was appointed in his stead.

### Publications Received

AMERICAN TRADE AND INDUSTRY (in Russian), New York No. 3-4, February, 1927.

This second double number of "American Trade and Industry" contains leading articles on consumers' cooperatives in the United States, on the gold problem, and on the American tobacco industry. The article on the Consumers' Cooperatives gives a short account of the pre-war history of this movement and of the present status of the more important consumers' cooperative organizations, including wholesale societies, bakeries, creameries, restaurants, housing and insurance enterprises, telephones, banks, credit societies, etc. "The Gold Problem in the United States" discusses the amount of the so-called free gold and the possibilities of gold withdrawals from the United States by European central and commercial banks. The third leading article, en-

titled "The American Tobacco Industry," deals mainly with the possibilities of Soviet exports of tobacco manufactures to the United States.

The series of annual reviews, started in the preceding number is continued, and presents reviews of building operations in 1926 and the outlook for the near future; also of the lumber industry and the fur trade of the United States during the past year. These reviews are followed by the monthly review of business conditions in the United States for January of the present year, particular attention being given to the cotton and petroleum markets; also to foreign security issues during the month. Special market reviews deal with Soviet export articles, such as canned fish products, mushrooms, down and feathers, rags, caviar, Caucasian walnut, casein, etc., also copper, tin, lead, aluminum and other non-ferrous metals, of interest to the Soviet importing organizations. Other special articles discuss the maritime freight situation in the United States, sugar beet cultivation in the West, ginning and packing of cotton in the United States, and Amtorg sales in the United States of Soviet export goods during the three months, ending December 1926.

Latin-American topics in the present number are "Petroleum Resources of South America" and "The First Concession Contract under the New Mexican Oil Act of December 31, 1924."

The number contains also extracts from articles in American trade periodicals on furs, bristles, timber, etc., of special interest to the Soviet trading community, a large number of short current items, gleaned from the daily and trade press, bibliographic notes and short reviews of books and pamphlets relating to trade and industry, the most recent official statistics of United States trade and finance and at the end of the number the customary list of commodity prices in American markets.

#### COMMERCIAL HANDBOOK of the SOVIET UNION for 1927

published by the Soviet Union Information Bureau in Washington, D. C., contains the latest data concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union.

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## Miscellaneous News

### New Soviet Internal Loan

On February 20, 1927, subscriptions were opened in the Soviet Union for bonds of a new lottery loan bearing 10 per cent annual interest.

The loan is being floated at the rate of 24 rubles per 25-ruble bond. The bonds consist of five parts, each having a par value of 5 rubles. The separate parts of each bond are numbered alike and may be circulated individually, carrying the right to one-fifth of the lottery prize that may be drawn for that particular bond and to a similar share of interest earned.

The loan is being issued in the total amount of 100,000,000 rubles (\$51,500,000)—20 series of 5,000,000 rubles each—for a term of eight years extending from March 1, 1927, to March 1, 1935. Interest payments will be made twice a year, on September 1 and March 1, the initial instalment falling due on September 1, 1927.

During the course of the eight years 30 lottery drawings will be made for 95,952 prizes aggregating 16,300,000 rubles in value. The individual prizes range from 100 rubles up to 50,000 rubles. Prize-winning bonds will be called in for redemption and will not participate in further drawings. In addition to the lottery prize and the face value of the bond, the holder will be paid the interest accrued on the current coupon up to the drawing date.

The general calling in of the bonds for redemption will be effected by means of drawings covering an entire series. There will be one of these redemption drawings a year, the first occurring on March 1, 1931 and the fifth and last on March 1, 1935.

### Col. Cooper Consulting Engineer for Dnieper Superpower Plant

Col. Hugh L. Cooper, builder of Muscle Shoals, was recently retained by the Soviet Government as chief consulting engineer for the construction of the super-power plant on the Dnieper River in the Ukraine. In confirming the report about his engagement, Colonel Cooper made the following statement:

"It is true that we have entered into a contract with the Soviet Government, wherein we are to act as consulting engineers for the design and construction of a great power and navigation project on the Dnieper River at Kichkas in the Ukraine.

"The works will be built and financed by the Soviet Government and will cost approximately \$70,000,000 and require about six years for their

construction, 650,000 H. P. will eventually be installed in a modern hydro-electric plant, and a flight of 3 locks lifting craft by the 120 ft. high dam, will make the Dnieper River navigable from the Black Sea for a distance of about 600 miles through this great Ukraine coal, iron and wheat belt. The completion of this project will give Russia a vast unit of hydro-electric energy at a cost well below the average cost of hydroelectric energy in the United States, and at the same time produce low costs of transportation for imports and exports through Kherson and east of Odessa. Low cost of power and navigation in this immediate vicinity of vast undeveloped and partially developed resources will serve as a great lever to promote and maintain a large industrial growth in industry and so help speed the day when the cost of manufactured goods can be greatly reduced. In undertaking these services we have done so with the belief that we will always have the heartiest cooperation from everyone in Soviet Russia. We also hope the step we have taken will result in other contracts for similar work being entered into from time to time. Soviet Russia is full of natural resources that should be developed in the public interest as rapidly as possible. I hope before long that diplomatic differences between the Soviets and the United States of America can be settled to the full satisfaction of both governments, after which American capital will naturally turn to Russia for investment.

"I made a trip to Russia last fall to examine the project and all my experiences with the Soviet Government and its people were entirely agreeable and satisfactory. I have just returned from a six weeks' consultation with the Supreme Council of National Economy in Moscow on the negotiations which have resulted as stated. The competition for this work was international in character, and our experiences throughout have been agreeable to all concerned."

### American Mining Experts in U. S. S. R.

Mr. Charles E. Stuart, power expert for the United States Fuel Administration during the war and a member of the New York engineering firm of Stuart, James and Cooke, left early in March for the Soviet Union, with three engineering associates, to make a thorough study of the famous coal mines of the Don Basin with a view to their mechanization along the most modern American practice, method and system. Mr. Stuart stated that several shafts will probably be operated under the direction of the firm to serve as model mines for the purpose of gradually extending the methods and system.

"Before the employment of American engineers for this task," said Mr. Stuart, "a Russian commission made an extensive study of coal mining methods in Germany, France, England and the United States. The result was a victory for American methods and engineers."

"I made a two-months' visit to the Soviet Union last year on the invitation of the executive of the Donugol coal trust. I found the output per man considerably smaller than in the United States, due to lack of mechanical development. Their engineers and administrative heads were eager for constructive criticism and determined to modernize their mines along the lines of highest efficiency."

The output of the Don Basin last year was 18,815,800 metric tons as compared with 12,409,400 tons the previous year. Pre-war production was about 25,000,000 tons. The mines suffered greatly during the war period.

Mr. Stuart became interested in mining development in the Soviet Union through Col. Hugh L. Cooper, who recently was appointed by the Soviet Government chief consulting engineer for the \$70,000,000 super-power development on the Dnieper River.

#### Concession Agreement with "Deruluft"

The Council of People's Commissars has confirmed a concession agreement with the Russo-German Aerial Transportation Company ("Deruluft"), whereby the Soviet Government grants to this organization the exclusive right to operate an air traffic service between Germany and the Soviet Union for carrying passengers, mails and freight. The "Deruluft" undertakes to maintain a regular schedule of six trips a week in each direction between Moscow and Berlin during the period extending from May 1 to October 31 of each year.

#### Leningrad Port Closed Until Spring

During the past winter ice-breaking tugs kept the port of Leningrad open to ocean-going craft from December 1 up to February 5. During the two months of this channel maintenance campaign 208 vessels called at the port with a combined cargo of 254,129 metric tons. Of this total 51,139 metric tons constituted import shipments, while the remainder consisted of grain and timber exports. The harbor will stay closed until the middle of April. During the time that Leningrad port is closed ocean freight for the Soviet Union is being routed via the port of Revel.

## AMERICAN AMЕРИКАНСКАЯ И ПРОМЫШЛЕННАЯ ПРОМЫШЛЕННОСТЬ

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# SOVIET UNION REVIEW

Fifteen Cents

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Vol. V. No. 5

**Kalinin on Situation of Soviet Agriculture**

**Russian and Ukrainian Cooperatives**

**The Merchant Fleet of the Soviet Union**

**The New Tariff**

**Social Insurance in the Soviet Union**

**Foreign Relations of the Soviet Union**

## TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
Kalinin on Situation of Soviet Agriculture.....	74	Final Budget Figures .....	80
Soviet Agriculture in Figures:		Indirect Taxes in 1926-27 .....	80
Grain Crops .....	75	Moscow and Leningrad in Figures .....	80
Technical Crops .....	76	The Merchant Fleet of the U. S. S. R. ....	81
Dairy Products .....	76	Soviet Railway Traffic .....	82
Industrial Progress:		Social Insurance in the U. S. S. R. ....	83
Soviet Industries in February .....	77	Foreign Relations of the Soviet Union:	
Major Industrial Construction .....	77	Soviet-Italian Exchange of Notes.....	83
Soviet Handicraft and Petty Industries.....	77	Soviet-Turkish Trade Agreement .....	84
Foreign Trade of Soviet Union:		Commercial Treaties Concluded by Soviet	
Soviet Trade October, 1926—February, 1927 .....	78	Union in 1925-26 .....	85
Imports of Machinery into U. S. S. R. ....	78	Foreign Consular Representatives in U. S.	
Timber Exports .....	78	S. R. ....	85
Russian and Ukrainian Cooperatives:		Appointments in Soviet Diplomatic Service .....	86
Cooperative Grain Marketing .....	78		
Delegation of Ukrainian Cooperatives in			
U. S. A. ....	79		
New Soviet Tariff .....	79		
Soviet Finances:			
Currency in Circulation .....	80		
Deposits and Current Accounts of Soviet			
Banks .....	80		

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# SOVIET UNION REVIEW

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## Situation and Prospects of Soviet Agriculture

BY the end of March the Soviet press published an extract from the report of Mr. M. I. Kalinin, Chairman of the Central Executive Committee of the Soviet Union, to the forthcoming All-Union Congress of Soviets on the situation and the prospects of Soviet agriculture. Some of the passages of that report are printed below:

According to calculations made by the State Planning Commission and the People's Commissariat for Finances on the basis of pre-war prices the gross value of Soviet agricultural production for 1925-26\* amounted to 10,786,000,000 rubles (\$5,555,000,000). The total for 1926-27 will ascend to 11,641,000,000 rubles (\$5,995,000,000). If the gross agricultural income for the year 1913 is set at 100, the gross income for the year 1924-25, figured at pre-war prices, equalled 67.5 per cent, while the figure for 1925-26 showed an increase to 83.8 per cent. The expansion of the sown area in the Soviet Union, as regards both grain and technical crops, brought the cultivated area for 1925 up to 92.8 per cent of the 1913 total and the percentage for 1926 has reached 96.1, representing the tillage of 102,500,000 dessiatins (276,750,000 acres). Soviet live-stock breeding has also shown a considerable growth parallel with that of grain and technical crop raising. The number of heads, figured in full-grown animal units, amounted for the year 1925 to 86.1 per cent of the 1916 total, and this percentage rose to 91.8 for the year 1926. The number of cattle in the Union of Soviet Socialist Republics at present is even greater than in 1916. Only in the case of horses does the figure still fall considerably short of the 1916 level, the number of horses in 1926 constituting 79.4 per cent of the 1916 total. During recent years the volume of agricultural commodities produced for the market has likewise increased. Excluding the local turnover in the rural districts, the agricultural produce placed on the market amounted to 2,047,000,000 gold rubles in the fiscal year 1925-26, and it is expected to amount to 2,742,000,000 gold rubles in 1926-27. Nevertheless, it must be observed that the agricultural products grown for the market constitute only 67.6 per cent of the corresponding 1913 total.

The increase of the average yield is the most

pressing problem of Soviet agriculture. The average crop per dessiatin (one dessiatin equals 2.7 acres) of land for the principal products of Soviet farming has not yet attained the pre-war standard. Thus, for instance, the yield per dessiatin averaged 62 poods (826 pounds per acre) in 1913 for grain crops, as compared with 52 poods (693 pounds per acre) in 1926; in 1913 the average production of unginned cotton per dessiatin was 80 poods (1065 pounds per acre) as against 52 poods (693 pounds per acre) in 1926. Furthermore, the average yield in former times was itself extremely low, amounting to one-third to one-half of the result attained in the foremost western countries. The low average yield is explained by a number of conditions reflecting the cultural and economic backwardness of the country and particularly the extreme backwardness of its farming methods. This results in a low agricultural return. It is therefore necessary to intensify the measures taken for the application of better methods of production, for the introduction of agricultural improvements, a transition to the multiple crop rotation system, an increased application of artificial fertilizers, and a considerably greater utilization of machines in farming in order to augment the average yield. The Soviet Government considers that the efforts of the central authorities and local organs, the cooperatives and chiefly of the peasants themselves must be directed toward the carrying out of the practical measures needed in this connection. In particular a series of measures has been adopted for the restoration of factories producing fertilizers, and work has been started on a great enterprise in the Northern Ural for the commercial exploitation of the deposits of potash salts, which are among the principal fertilizing materials for farming land. Despite enormous difficulties, the development of such measures is being realized in the regions visited by droughts, as well as in the central black earth zone, areas which play a leading role in the situation of so vitally important a branch of Soviet agricultural economy as is represented by grain production. At the present time substantial funds are being expended for the reconstruction and extension of the irrigation system in Central Asia and in Transcaucasia with the object of increasing the cotton area. Steps have been taken to promote the development of other special and technical crops, etc.

\* The Soviet agricultural year is reckoned from July 1 to June 30, while the Soviet fiscal year begins October 1 and ends September 30.

### Output of Agricultural Machinery

The development of Soviet industry during recent years has rendered it possible to raise considerably the output of farming machinery and implements. Last year the value of the agricultural machinery and implements produced in the Soviet Union reached 70,000,000 rubles at pre-war prices, as against 60,500,000 rubles in 1913. The output of such equipment for the present year is scheduled at 86,000,000 rubles at pre-war prices, representing an increase of approximately 40 per cent over the figure for 1913. In addition to this a large quantity of farming machinery is imported each year. Thus, it is estimated that Soviet imports of agricultural machines and tractors during the current year will amount to 31,500,000 rubles (\$16,200,000). In general the farmers are now better supplied with agricultural machinery and implements than in 1913. It should also be remarked that the number of tractors in the Soviet Union has this year reached almost 27,000, of which 90 per cent are in the hands of the peasantry.

The construction of new factories for the manufacture of agricultural machinery and implements will make it possible to take a big forward stride in this direction. Thus, large farming machinery and implement mills are being erected at Rostov-on-Don, Zlatoust (Ural), Stalingrad (tractor factory), and at other points. These new plants will actually render it practicable to place at the disposal of the peasants the machines they require and bring about the mechanization of farming that is so urgently needed. An increase by every possible means in the supply of good quality farming machines at prices within the reach of the peasants is one of the conditions most vital to the advancement of Soviet agriculture and the industrialization of the country's economic life.

### Agricultural Credits

The organization of agricultural credits is acquiring ever greater importance in the advancement of agricultural economy. The law of January 7, 1927, concerning the agricultural credit system laid down the structure of the system on a state-cooperative foundation and defined the interrelations of its various links. The law of January 17, 1927, covering cooperative credit established a basis for the work of the most important link in the system, namely, the primary (local) cooperative organization, modeling it on the type of the agricultural credit association. Thanks to the extension of its activities during recent years, the agricultural credit system had invested 402,000,000 rubles (\$207,000,000) in agricultural economy by October 1, 1926, this loan assistance having been directed toward peasants of the poor and moderately well off strata.

### Rural Cooperatives

The cooperative movement is making notable progress among the peasants. The consumers' cooperatives, as well as the agricultural cooperatives, are growing in the rural regions. On October 1, 1924, there were approximately 3,000,000 shareholders in the rural consumers' cooperatives. A year later this number had risen to 5,000,000 and by the middle of 1926 there were 6,878,000 shareholders, showing a more than two-fold increase within a period of about two years. For the most part this growth is resulting not so much through the creation of new consumers' cooperatives as through a general increase in the number of shareholders throughout the rural consumers' cooperative movement.

In the process of Soviet agricultural advancement a highly important part is being played by the agricultural cooperative movement, which now embraces about one-third of the peasant population (up to 7,000,000 homesteads). The role of cooperative activity in the sale of farm produce is steadily growing, as is evident from the fact that this year agricultural cooperatives account for 36 per cent of the flax turnover, 42 per cent of the potato turnover, 53 per cent of the butter, 70 per cent of the beet turnover, and 85 per cent of the tobacco turnover. With respect to grain crop purchases the importance of the cooperatives has also augmented considerably, their operations this year accounting for over one-third of the total grain bought up from producers. Thus, during the fiscal year 1925-26 the agricultural cooperatives alone purchased 170,000,000 poods, i. e., 2,800,000 metric tons, of grain, while in the first half of the current fiscal year they have bought up 154,000,000 poods, i. e., 2,520,000 metric tons (including cooperative purchases outside of the official schedule, but not taking into account considerable purchases by the consumers' cooperatives). From 1,500,000,000 rubles (about \$770,000,000) in 1925-26 the turnover of the agricultural cooperatives is expected to increase to 1,800,000,000 rubles (about \$930,000,000) during the present fiscal year.

Collective farming is likewise showing progress. There were 18,600 collective farms in the Soviet Union in 1924, 21,900 in 1925, and 22,000 in 1926.

### Soviet Agriculture in Figures

THE first complete report on the grain harvest of the Soviet Union of last fall places the gross grain crop at 74,385,000 metric tons, compared with 69,658,000 metric tons in 1925, an increase of 7 per cent. The wheat harvest of 22,052,000 metric tons (about 807 million bushels) marks an increase of 14 per cent over 1925. Technical crops, such as flax, hemp, sunflower, sugar beets,

tobacco and cotton, show a certain decrease as compared with the preceding year.

### Grain Crops

In 1926 the area sown to grain reached a point greater than the pre-war figure. The growth of the sown area is shown in the following table:

#### Sown Area in Thousands of Acres

1913 .....	215,659
1922 .....	117,674
1924 .....	177,579
1925 .....	211,668
1926 .....	224,346

During the last two years the sown area was distributed as follows according to the various grains:

#### Sown Area in Thousands of Acres

	1925	1926
Rye .....	69,031.7	68,134.5
Wheat .....	59,843.0	69,028.2
Barley .....	15,912.7	18,073.0
Oats .....	30,399.3	35,553.9
Buckwheat .....	7,529.0	7,849.4
Millet .....	14,501.2	12,717.8
Corn .....	8,499.6	7,038.1
Other grains and beans.....	5,951.3	5,951.3
Total .....	211,667.8	224,346.2

The above figures, as well as those for production given below, are for peasant farms only. Collective farms and Soviet farms (farms operated by the State) are not included. These, however, furnish somewhat less than 1 per cent of the total production.

#### Gross Grain Crops in Thousands of Metric Tons

	1925	1926
Rye .....	20,733	22,811
Wheat .....	19,421	22,052
Barley .....	5,879	5,669
Oats .....	10,221	13,125
Buckwheat .....	1,893	1,826
Millet .....	4,357	3,013
Corn .....	5,028	3,705
Other grains and beans.....	2,126	2,184
Total .....	69,658	74,385

The increase in the total grain crop over 1925 was 7 per cent, the increase in wheat, 14 per cent. Total pre-war production in the present territory was about 75,000,000 metric tons.

### Technical Crops

The income derived from the so-called technical crops of the Soviet Union is about one-third that from grain crops. With the exceptions of cotton and sugar beets, the planted area and yield in these crops is now materially greater than pre-war.

#### Planted Area, in Thousands of Acres

	1913	1925	1926
Flax .....	2,774	3,898.5	3,913.9
Hemp .....	1,755	2,258.3	3,215.6
Sunflower seed.....	2,205	7,482.0	6,197.0
Cotton .....	2,119	1,617.0	1,719.0
Yellow tobacco .....		107.2	84.0
Sugar beets .....	1,890	1,194.5	1,318.1

#### Production in Thousands of Metric Tons

	1925	1926
Flax (seed) .....	633.3	659.1
Hemp (seed) .....	565.6	563.9
Sunflower seed .....	2,688.5	1,780.3
Tobacco .....	45.9	31.1
Sugar beets .....	7,640	6,390

Reports for cotton indicate a crop of between 760,000 and 770,000 bales of 500 pounds each, as compared with about 900,000 bales in 1925. Prolonged drought in the cotton belt in 1926 reduced the crop despite the increased acreage. The cotton crop average during the five years before the World War was 953,000 bales.

### Live Stock

Live stock decreased greatly during the latter years of the World War and during the civil conflicts. Complete recovery has been effected during the past three years. The following statistics show comparison with 1916, the year when the live stock figure reached its high peak. In thousands of head:

	Horses	Cattle	Sheep	Goats	Hogs
1916 .....	35,523	60,281	111,053	9,784	20,337
1923 .....	23,297	50,632	69,085	4,620	10,502
1924 .....	25,303	55,861	82,197	5,671	18,176
1925 .....	26,796	58,856	94,023	6,955	17,657
1926 .....	28,320	60,710	102,873	8,129	16,531

### Dairy Products

The development of milk and butter production is shown by the tables below:

#### Production of Milk in Metric Tons

		Index
1913 .....	24,430,000	100
1923-24 .....	24,390,000	99.7
1924-25 .....	25,810,000	105.5
1925-26 (preliminary data).....	27,100,000	110.8

#### Production of Butter

	1924-25	1925-26
Metric tons .....	42,500	48,800
Value .....	\$23,175,000	\$26,007,500

#### Exports of Butter in Metric Tons

1923-24 .....	22,480
1924-25 .....	24,508
1925-26 .....	27,261

During the year 1925-26, a total of 710 new creameries were built at a cost of \$4,423,760, as compared with 400 in 1924-25.

## Industrial Progress

THE situation of Soviet industry in February 1927, as compared with the preceding month of the same year, and the same month of the preceding year, is shown in the table below:

Output	February 1927	January 1927	Percentage of increase over February 1926
Coal (thousands of metric tons) .....	2,666	2,480	26
Oil (thousands of metric tons) .....	768	831	32
Pig iron (thousands of metric tons) .....	233.5	242.9	43
Martin steel (thousands of metric tons) .....	285.6	293.7	21
Rolled iron (thousands of metric tons) .....	232.6	228.7	32
Cotton yarn (thousands of metric tons) .....	22.7	22.1	9
Unfinished cotton cloth (millions of meters) .....	200.3	193	11
Finished cotton cloth (millions of meters) .....	198.4	191	14
Value of total output of large scale State industries (in millions of rubles) .....	718.4	720.0	21

### Major Industrial Construction in U. S. S. R.

The Supreme Council of National Economy of the Soviet Union recently published a list of new mills, factories, shafts, and other industrial units to be constructed. During the current year work has been started or is to be started on the construction of 391 new mills and factories aggregating 694,500,000 rubles (\$357,700,000) in cost and including six metallurgical and machine building plants, six electrical equipment factories, 19 chemical works, 26 textile mills and 26 woodworking enterprises. The largest share of the new construction during the present year goes to the coal industry, work having been begun in this branch on the erection of 226 units entailing a total expenditure of over 270,000,000 rubles (\$139,000,000). In the petroleum industry 17 enterprises are under construction, as well as the big Grozny-Tuapse pipe-line. A large building program has been commenced in the glass and paper industries.

### Development of Don Coal Basin

Six new shafts are being sunk in the coal fields of the Don Basin of the Soviet Union. These will open a new section to be called the New Don Basin. During the summer work will be started on nine more shafts. It is estimated that the 15 shafts will yield, when completed, 6,500,000 tons of coal yearly.

The output of coal in the Don Basin for February was 1,600,000 metric tons, an increase of 6.6 per cent over January.

### Soviet Handicraft and Petty Industries

Statistics compiled by the Central Statistical Department indicate that the number of persons engaged in "kustar" (handicraft) and petty industry in the Soviet Union amounted to about 3,000,000 in 1926. The value of the gross output in this division of industry, exclusive of flour milling, reached a total of nearly 2,000,000,000 rubles (over \$1,000,000,000) in 1926 according to data issued by the State Planning Commission ("Gosplan").

Figures published by the State Planning Commission for 1927 show that, excluding flour milling, the petty industries and "kustar" and artisan trades account for 16.4 per cent of the value of the Soviet Union's entire industrial output. In this connection it must be noted that the branch in question plays a much more important role among the industries catering to the personal needs of the population, turning out, according to data issued by the Central Statistical Department, about 80 per cent (in value) of the gross production of leather shoes, 65 per cent of the output of the needle trades, 76 per cent of milled flour, etc.

### Representatives of Soviet Porcelain and Glass Industry in U. S. A.

A delegation from the Porcelain and Glass Trust of the Ukraine arrived recently in the United States with the intention of visiting glass and china factories throughout the country, under the guidance of officers of the Amtorg Trading Corporation of New York, with a view to studying the application of American methods and machinery to the industry of the Soviet Union. The members of the Commission are F. A. Rataichak, F. S. Kariagin and J. B. Seldes.

The itinerary of the Commission includes glass and china factories in the Pittsburgh district, in Ohio, and in Detroit, Buffalo and Trenton.

According to members of the delegation, as a result of the World War and the civil conflicts, the output of the glass and china industry of the Soviet Union had fallen in 1920 to about 4 per cent of pre-war. Over one-third of the plants were in territory lost to Russia at the close of the war. In 1925 the output increased 45 per cent over the previous year and last year it increased 60 per cent over 1925, surpassing the pre-war output. A large-scale plan of expansion has been worked out, which involves the purchase of considerable machinery abroad.

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## Foreign Trade of the Soviet Union

**F**OREIGN trade of the Soviet Union for the first five months of the current Soviet fiscal year (October 1, 1926, to February 28, 1927) shows a favorable balance of \$53,766,000. Figures for the same period last year gave an unfavorable balance of \$34,247,500.

Exports for the five months were \$161,040,500 and imports were \$107,274,500, giving a turnover of \$268,315,000. The figures are for the European frontiers only. Imports of industrial equipment during the period were \$16,171,000, an increase of 24 per cent over the same period of last year. February marked the sixth successive month of favorable trade balances. Exports for February across the European frontier amounted to \$25,200,000, while imports amounted to \$19,400,000.

### Imports of Machinery Into the U. S. S. R.

The total imports of machinery into the Soviet Union during the Soviet fiscal year 1925-26 amounted to \$72,701,000 as compared with \$47,627,000 for 1924-25, an increase of 52.6 per cent. During the same period domestic production of industrial machinery increased 40 per cent and of agricultural machinery 92 per cent. Of the imports machinery valued at about \$15,000,000 came from the United States.

The following table gives detail of imports, recent years (in dollars, '000 omitted):

	1922-23	1923-24	1924-25	1925-26
Motors and Engines.....	530	927	1,716	830
Machine Tools and Rolling				
Mill Machinery .....	216	690	2,309	3,299
Boilers .....	876	824	333	786
Pipes, Welded, etc. ....	2,034	2,910	788	2,327
Various Industrial Ma-				
chinery .....	3,605	2,524	12,352	26,089
Including:				
Textile Machinery .....	3	118	941	4,676
Drilling and Mining				
Equipment .....		206	732	1,392
Printing and Paper Ma-				
chinery .....	2	64	1,266	1,302
Match Machinery .....			111	324
Power Hammers,				
Stamping Ma-				
chines, Pressers,				
Steam Rollers .....		5	101	326
Pumps, Compressors,				
Fire Hose .....	126	21	269	304
Other .....	3,474	2,110	8,932	17,765
Agricultural Ma-				
chinery and Implements	1,803	3,064	16,463	24,620
Electrical Equipment .....	3,966	4,429	5,813	7,164
Machinery for Transpor-				
tation Purposes .....	11,330	10,403	7,854	7,586
Total Machinery.....	24,360	25,771	47,628	72,701

## Timber Exports of the Soviet Union

Timber exports of the Soviet Union for the Soviet fiscal year 1925-26, showed a falling off for the first time in five years, owing to unfavorable conditions in the world market. The value of the exports was \$29,715,500 as compared with \$36,153,000 in 1924-25 and \$49,543,000 in 1913. The quantity was 3,314,000 cubic meters, as compared with 3,771,000 cubic meters in 1924-25.

England absorbed timber exports valued at \$14,475,000, or nearly 50 per cent. Holland stood next on the list with exports valued at \$5,410,600, and the countries next in order were Japan, Germany and France. The United States received timber valued at \$15,497, chiefly Circassian walnut.

## Russian and Ukrainian Cooperatives

**S**ELSKOSojus-AMERICA, of New York, the American trading agency of the Russian Agricultural Cooperatives, recently announced the reorganization of the machinery of cooperative marketing among grain farmers of Soviet Russia proper (not including the Ukraine). A special organization, called the Grain Center (Khlebocentr) has been established for this purpose. The Grain Center was started by 47 organizations of agricultural cooperatives, uniting over 1,800,000 farms. Similar "centers" are already in operation for the marketing of butter, poultry, flax, potatoes and other products.

In explaining the significance of the new organization, Mr. Lulinsky, director of the Selskosojus-America, said:

"The grain marketed cooperatively in Soviet Russia proper has increased from 5,350,000 bushels in 1922-23 to 86,700,000 bushels last year. During the present year over 100,000,000 bushels will be handled by the cooperatives. The rapid growth of this business necessitated the formation of a special organization or 'center' for the marketing of grain, which will enjoy full autonomy within the general organization of agricultural cooperatives. The new organization will bring much greater elasticity and efficiency to the problem of cooperative grain marketing.

"Khlebocentr starts with ample financial backing. Its capital is raised partly by subscriptions among the 1,800,000 members and partly through a special allotment of \$500,000 from the agricultural cooperatives. The Government has provided credits up to five years of \$2,300,000. For the grain-purchasing campaign the Central Agricultural Bank provides banking facilities of \$2,000,000, and the State Bank up to \$8,000,000 during various months.

"About 50 per cent of the grain purchases of Khlebocentr are made on commission for the State Bank (which runs a chain of grain elevators), the consumers cooperatives and the State Grain Corporation. Khlebocentr will be active in grain export operations.

"The membership of the agricultural cooperatives of the Soviet Union is now about 7,500,000. It has nearly tripled during the past two years."

### Delegation of Ukrainian Cooperatives in the U. S. A.

A delegation from the Ukrainian Cooperative League ("Vukospilka"), which runs a chain of 14,060 stores, with an annual turnover of nearly \$700,000,000, in the Ukrainian Soviet Republic, has arrived in this country to study American distribution methods. The studies will include large bakeries, chain restaurants, packing houses, 5 and 10-cent stores, canning factories, warehouses and distributing offices. The Commission expects to place orders for warehouse and office equipment here.

The three members of the Commission are M. I. Dykhne, vice president of the "Vukospilka"; U. M. Ivanitzky and A. N. Makarov.

"We are most appreciative of the opportunity of studying American methods of distribution, with their admirable technical developments, at close range," said Mr. Dykhne. "Every courtesy has been shown us by some of the largest New York companies.

"Ukrainian cooperative societies have shown a remarkable growth during recent years. During the past two years the membership of urban and agricultural cooperatives has increased from 1,383,000 to 2,380,000 in a population of less than 29,000,000. In 1926 our turnover was \$693,705,000, an increase of 105 per cent over 1925.

"Urban cooperative stores in the Ukraine increased from 1,976 in 1924 to 3,700 in 1926, and village stores increased from 6,139 to 10,360."

## New Soviet Tariff

THE new Soviet tariff, recently approved by the Council of People's Commissars of the Soviet Union, differs from the old through the imposition of increased duties on a considerable number of import commodities. It levies duty on raw materials, semi-manufactured goods, various classes of machinery, equipment and all sorts of other goods.

On the average the ad valorem rates in the former schedules were not over 22 to 24 per cent, whereas the new tariff law raises this average to approximately 30 to 33 per cent. Taking as a

basis the volume of Soviet imports for the elapsed year and the new tariff rates, and also making allowance for the fact that part of the new tariff went into effect on November 9, 1926, it appears that in comparison with last year the tariff revenue for the current year will be increased by 50,000,000 to 60,000,000 rubles (\$26,000,000 to \$31,000,000).

The following are the increases in the duties applying to the most important individual commodities, per 100 kilograms in all cases: Cotton—21 rubles instead of 6 rubles (one ruble equals \$0.51); jute—12 rubles instead of 9; washed wool—60 rubles instead of 6; rubber—30 rubles instead of 6; cork—15 rubles instead of duty-free; dyes—400 rubles (average) instead of 275; tanning extracts—13.50 rubles instead of 4.60 rubles; hides—6 rubles instead of duty-free; tin—10 rubles instead of duty-free; equipment not otherwise specially listed and not manufactured in the Soviet Union—6 rubles instead of duty-free; physical, optical and geodesical instruments, appliances and apparatus—150 rubles instead of 74 rubles; eye glasses, opera-glasses and optical lenses—7,500 rubles instead of 250; etc.

In the tariff formerly in effect there were over 80 instances of duty-free entry for various commodities. In particular the duty-free importation permitted in the case of equipment and machinery used in a considerable number of industrial branches and not manufactured in the Soviet Union, was of great importance to Soviet industry. In the new tariff this has been changed and industrial equipment is subject to duty. In general the new customs tariff has considerably reduced the cases of duty-free importation. At present there are not more than 45 such instances, in connection with which it is stipulated for the most part that these exemptions are temporary and established in the interests of agriculture. In this category belong imports of farming machinery not made in the Soviet Union, saltpeter, grass seeds, fodder products, live stock of all kinds, carbon disulphide for combating agricultural pests, superphosphates for the requirements of the cotton growing regions, quinine, tanning bark, sea craft and whaling boats, and a few other commodities.

The increases in the new tariff rates have been made principally in the case of the revenue duties, that is, in those instances where the level of the imports is not determined by the price difference between Soviet and foreign goods of the same kind, inasmuch as the commodities upon which these duties apply are not produced in the Soviet Union (tea, coffee, cocoa, rubber, etc.). A duty was imposed on cotton in view of the sharp decline in its price in the United States as a result of the record-breaking crop.

## Soviet Finances

**C**URRENCY in circulation in the U. S. S. R. March 1 was 1,335.7 million rubles (\$687,-878,500) as compared with 1,245.8 million rubles (\$641,587,000) on March 1, 1926. The circulation was divided in the following categories (in millions of rubles): State bank notes 722.9; treasury bills, 367.8; silver coin, 142.2; bronze and copper coin, 12.9. The increase in circulation during the past year was 9 per cent.

### Deposits and Current Accounts of Soviet Banks

Deposits and current accounts in the five largest banks of federal scope in the Soviet Union, as of February 1, amounted to \$631,235,500, as compared with \$526,381,500 on October 1 last, at the beginning of the current fiscal year, an increase of nearly 20 per cent in four months. The banks included in the combined statement are State Bank, Industrial Bank, Bank for Foreign Trade, All-Russian Cooperative Bank and Moscow City Bank.

### Statement of Issue Department of State Bank

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of April 15, expressed in chervontzi valued at \$5.14½, with comparison of April 1, follows:

<i>Assets:</i>	<i>April 15</i>	<i>April 1</i>
Gold coin and bars .....	16,589,976	16,588,200
Platinum .....	3,045,093	3,038,356
Foreign currency .....	8,373,864	8,373,862
Drafts in foreign currency .....	266,490	266,490
Bills in chervontzi .....	61,638,710	59,647,225
Securities covering advances .....	85,867	85,867
<b>Total .....</b>	<b>90,000,000</b>	<b>88,000,000</b>
<i>Liabilities:</i>		
Bank notes transferred to State		
Bank .....	87,425,516	85,730,578
Balance to which notes may		
still be issued .....	2,574,484	2,269,422
<b>Total .....</b>	<b>90,000,000</b>	<b>88,000,000</b>

### Final Budget Figures

The budget of the Soviet Union for the Soviet fiscal year 1925-26 showed a surplus of revenues over expenditures of 13,000,000 rubles (\$6,695,000), as compared with a surplus of 28,000,000 rubles (\$14,420,000) in 1924-25. Revenues for 1925-26 were 3,876 million rubles and expenditures 3,863 million rubles.

For the current fiscal year the estimated revenues are 5,002 million rubles and expenditures 4,902 million rubles, indicating a surplus of 100 million rubles (\$51,500,000) which will be set aside as a special reserve fund. The total figures show an increase of 22 per cent over 1925-26.

### Indirect Taxes in 1926-27

The total revenue from indirect taxes in the current federal budget of the Soviet fiscal year 1926-27 has been estimated at 1,387,000,000 rubles (\$714,305,000), which is 23 per cent above last year's figures. Of this amount 1,197,000,000 rubles fall to the share of excises, while 190,000,000 rubles are to be raised by customs duties.

## Moscow and Leningrad in Figures

**L**IKE the rest of the Soviet Union, Moscow is growing and forging ahead. In 1918 the Capital had 323 kilometers of street railways. In the nine years elapsed up to 1926 the aggregate length of these lines increased to 395 kilometers. Instead of the 475 cars operating in 1918 there are now 764 cars in daily service. The number of passengers has more than doubled as compared with pre-war times. The distance covered by the street cars has risen from 8 kilometers per hour in 1923 to 12.5 kilometers per hour at the present time. It was 11.3 kilometers in 1914.

Moscow now has over 200 autobusses, this form of transportation having been introduced in 1924. The number of motor busses in Moscow is already equal to the total in service in Berlin. In addition to this there are the taxicabs, several tens of thousands of cabs and delivery wagons, several thousand automobiles, etc.

Considerable improvements have been made in the city's water supply system. During the nine years since the Revolution about 85 kilometers of new large water mains have been laid. The number of houses with running water has increased by over 4,000, while the quantity of water consumed by the population each 24 hours is 6,500,000 gallons greater.

The houses having piping connections with the water mains number approximately 15,000; in 1925 there were altogether 27,185 residential premises in the city.

The Capital's street lighting facilities have nearly doubled during the nine years in question. The street lamp posts (electric and gas) total above 10,000.

In the fiscal year 1924-25 Moscow had 1,524,874 inhabitants. It has been established that the monthly increment of the city's population averages between 25,000 and 30,000. The annual increase thus exceeds a quarter of a million. According to the census of December, 1926, the present population of Moscow is 2,018,286.

Moscow, being the center of the Soviet Union, seethes with activity. Not a day passes without conferences, conventions, congresses, etc.

One of the outstanding achievements of the municipality of Moscow is the marked decrease

in its death rate. In 1926 vital statistics recorded 27,000 deaths, as against 47,000 in 1918. The death rate is bound to decline further in the future, since the city is continually improving its sewer system, enlarging its park space, increasing housing facilities, etc.

### Educational and Health Work of Moscow Soviet

During the fiscal year 1925-26 the Moscow Soviet expended 37,000,000 rubles (\$19,000,000) for public education. It is planned to spend 42,000,000 rubles (\$21,600,000) for this purpose during the current fiscal year.

The elementary and secondary schools in the City of Moscow admitted 100 per cent of those desiring instruction, while 94 per cent of the applicants in Moscow Province as a whole gained admission. Before the war, when Moscow had a population of 1,600,000, the children receiving education numbered 295,000; at the present time with a population of 2,000,000 there are 430,000 children in the public schools. Entirely new forms of pre-school education have been introduced: kindergartens taking care of over 12,000 children, children's playgrounds, and children's homes with accommodations for more than 20,000 children. In the city and throughout the Province of Moscow there is a widely developed system of stations for the elimination of illiteracy. There are 56,000 adults receiving literacy instruction in this area.

The Moscow Soviet will disburse 46,000,000 rubles (\$23,700,000) for health protection during the fiscal year 1926-27. This will make it possible to put prophylactic methods of combating disease widely into practice, to extend free medicinal aid, to increase the number of hospital beds and improve the condition of hospitals. It suffices to point out that it is planned to extend prophylactic measures to 250,000 adults and 47,000 infants, school children and youths, and to increase the number of hospital beds in Moscow alone to 16,000. This immense activity is feasible by reason of the fact that as many as 40,000 people take part in health work in the city and Province of Moscow. As a result there has been a decline in the death rate, particularly as regards infants. In 1913 the death rate for children up to the age of one year was 28.5 per 100 in the city of Moscow, whereas at present it is only 13.5; the corresponding figures for Moscow Province are 27.6 and 16.2.

### Composition of New Moscow Soviet

The total number of delegates elected recently to the Moscow Soviet was 2,283. Of these 81.6 per cent are men and 18.4 per cent women. Seventy per cent of the members are Communists and 30 per cent non-partisans.

### Leningrad in Figures

During the first quarter of 1926-27 (October 1, 1926 to December 31, 1926) the Leningrad trolley car system carried daily 1,195,000 passengers. The system covers 290 kilometers, distributed over 25 lines. The total number of automobiles in Leningrad, including motor trucks, ambulance cars, cars of the fire department, etc., was 1,113. The number of delivery wagons was 12,625, cabs 3,806. Number of registered bicycles, 16,594.

During that period 22,787,000 cubic meters of water were consumed by the population of Leningrad.

### Leningrad the Cultural Center of U. S. S. R.

The Soviet Academy of Sciences has carried out an interesting statistical study of the scientific institutions and societies of Leningrad. This investigation has shown that as formerly Leningrad is the leading cultural center of the Soviet Union.

The city of Leningrad has 195 scientific institutions, research institutes and laboratories, and 102 scientific societies and associations. There are 43 industrial scientific institutions, 19 political institutes, 72 medical institutions, and 72 historical and geographical bodies. The scientific institutions, research establishments, museums and numerous societies include 6,138 scientific workers.

### The Merchant Fleet of the Soviet Union

THE Soviet merchant fleet as of January 1, 1926, consisted of 1,059 vessels under 20 tons gross register, and of the following vessels of over 20 tons gross register:

#### Vessels of Over 20 Tons Gross Register

	Steam- ers	Oil burners	Sail and motor	Sail	Barges
White Sea.....	65	1	4	94	10
Baltic .....	42	3	.....	61	6
Black & Azov	95	7	72	205	45
Pacific .....	42	1	9	103	39
Caspian .....	132	27	14	305	21
	376	39	99	768	121

These figures do not include 202 steamships and 4 vessels of other types that were carried away and disposed of by the opponents of the Soviet regime at the end of the Civil War.

The capacity of the various classes of vessels in the above table, in register tons:

	Net	Gross
Steamers .....	361,810	635,686
Oil burners .....	18,002	31,253
Sail and Motor .....	3,916	6,643
Sail .....	26,497	38,607
Barges .....	28,659	36,857

The freight turnover of the maritime ports of the U. S. S. R., in thousands of metric tons, is shown by the following tables:

#### *Coastwise Trading*

	1924-25	1925-26
White and Arctic .....	139	188
Baltic .....	40	29
Black and Azov .....	1,249	1,926
Pacific .....	109	145
Caspian .....	8,533	5,010
Total .....	5,070	7,298

#### *To Foreign Ports and Long Distance Coasting*

	<i>Imports</i>		<i>Exports</i>	
	1924-25	1925-26	1924-25	1925-26
White and Arctic.....	211	219	1,074	984
Baltic .....	739	527	734	756
Black and Azov.....	519	212	3,325	4,899
Pacific .....	96	143	980	1,388
Caspian .....	105	71	63	92
Total .....	1,670	1,172	6,176	8,119

The Soviet fleet used on internal waterways shows the following composition:

#### *Steamers and Oil Burners*

	<i>Number of Vessels</i>	<i>Indicated Horse-Power</i>
1925 .....	3,213	554,068
1926 .....	3,245	530,278

#### *Sailing Vessels and Barges*

	<i>Number of Vessels</i>	<i>Freight Capacity Metric Tons</i>
1925 .....	9,109	4,006,000
1926 .....	10,224	4,329,000

Freight transported via the Soviet river system, in metric tons:

1925 .....	24,324,550
1926 .....	29,835,290

### **Soviet Railway Traffic**

BY agreement with foreign roads the Commissariat for Transportation of the Soviet Union will establish regular railway communication with Western Europe beginning with May 15.

Two express trains will be run weekly between Vladivostok and Warsaw. This trip will take on the average of 11 days and 4 to 5 hours one way. Vladivostok-Riga and Vladivostok-Moscow cars will be included in these trains.

Fast train service will be maintained between Manchuria Station (on the Soviet-Manchurian border) and Warsaw, two runs a week being scheduled in each direction. The running time will be 8 days and a little over 3 hours. The trains will include Manchuria-Riga and Novosibirsk-Moscow cars.

Four Moscow-Warsaw trains will be run each week in each direction (a total of 8 trains a week), the trip lasting one day.

Trains on the three above-mentioned services will cross the Soviet-Polish border at Negoreloye-Stolpce.

Daily railway service has already been established between Moscow and Riga via Borisovo and Sebez-Zilupe. The Moscow-Riga express via Borisovo includes a Vladivostok-Riga car, running once a week, and a Manchuria-Riga car twice a week.

Moscow-Tillinn (Revel) trains will be run via Leningrad-Kingisepp (formerly Yamburg). Express trains will serve this route three times a week, the trip lasting 24 hours.

The People's Commissariat for Transportation has already drawn up the time tables for these rail services.

#### **Railway Freight Transport**

Freight handled on the railways of the Soviet Union during the first four months of the current fiscal year, October 1, 1926 to February 1, 1927, was 43,487,000 metric tons, as compared with 38,680,000 metric tons for the same period last year, an increase of 12.4 per cent. Average daily freight-car loadings during the period were 26,862, as compared with 23,670 last year, an increase of 13.4 per cent. Railway revenues for the period were \$251,835,000 as compared with \$209,347,500 last year.

#### **COMMERCIAL HANDBOOK**

of the  
**SOVIET UNION**  
for 1927

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## Social Insurance in the U. S. S. R.

**I**N developing their activities for the spread of social insurance the Soviet insurance bureaus are attracting an ever larger number of workers and clerks within the sphere of their protection. During the past two years the total of persons covered by social insurance has increased from 6,276,000 to 8,333,000.

The increase of social insurance during the course of the period in question was evident in all the most important branches. The division of insurance against illness showed a considerable advance in the number of insured invalids and insured families of deceased workers and clerks. The total rose from 388,800 to 584,400, i. e., by more than 50 per cent. The amount of the monthly sick benefit compensation payment was raised 71 per cent on the average and toward the end of the fiscal year 1925-26 constituted about 26.30 rubles. The close of the same year witnessed the inauguration of a new law, whereby the compensation due is calculated on the basis of a definite percentage of the former wages of the invalid or deceased.

Notable achievements were also attained in the field of unemployment insurance. The number of unemployed receiving insurance benefits increased during the past year alone from 291,000 to 343,000. The amount of monthly indemnity rose 79 per cent and toward the end of 1925-26 averaged 15.60 rubles for skilled workers and 10.40 rubles for unskilled workers throughout the Soviet Union.

Supplementary allowances showed a still more remarkable increase. Thus, in the case of the grants for clothing a child and for feeding an infant this increase amounted to about 70 per cent, while it amounted to about 120 per cent for funeral expense allowances. At the end of the fiscal year 1925-26 the actual value of these payments was 23 rubles (average) for appareling a child, 5.70 rubles a month for feeding an infant, and about 45 rubles for the burial of an adult.

The insurance bureaus have made a great deal of progress in the sanitarium and health resort aid furnished to the insured. There was also an increase in the total number of persons who found accommodation in the sanatoriums, health resorts and rest homes at the expense of the insurance funds. About 300,000 persons benefited in this way during the fiscal year 1924-25 and over 350,000 during 1925-26. Approximately 30,000,000 gold rubles was spent on rest homes and sanatoriums in 1925-26.

In the system of unemployment insurance an important part is played by various forms of labor aid, especially by the collective labor enterprises for the unemployed, in which about 90,000

persons are engaged according to the estimates of the Commissariat for Labor. The social insurance organizations extend every possible support to such labor collectives as are productive in character, and economically viable, and comply with the obligatory condition of periodical changes of labor force (to prevent the conversion of the labor collectives for the unemployed into ordinary enterprises with a permanent working force).

At the present time one of the principal tasks of the social insurance system in the Soviet Union is the extension of activities to the villages—to the one and a half million laborers engaged in farming occupations and as yet but little touched by the operations of the social insurance organizations.

## Foreign Relations of the U. S. S. R.

**D**URING the month of March the following notes were exchanged between the Italian and Soviet Governments with regard to Italy's ratification of the Bessarabian protocol.

The Italian note, which was signed by Mr. Mussolini, the Italian Premier, and was transmitted on March 7 to Mr. Kamenev, Diplomatic Representative of the Soviet Union in Italy, reads:

On October 6 of last year Your Excellency's predecessor addressed a note to me in order to acquaint me with the viewpoint of the Soviet Government respecting the Bessarabian question and to inform me that, on the basis of letters exchanged between myself and the President of the Rumanian Council of Ministers in connection with the treaty of amity signed between Italy and Rumania on September 16, 1926, the Soviet Government regretfully stated that the Italian Government pointed to the possibility of Italy's future ratification of the pact regarding Bessarabia concluded on October 28, 1920, by Italy, Great Britain, France, Japan and Rumania.

To my regret I was constrained to conclude that irrespective of the substance of this communication it did not take into consideration at all the Italian viewpoint in the question, which viewpoint His Majesty's Government had previously had occasion to set forth.

In reality the Italian Government never had any intention not to recognize the acts of its plenipotentiary representatives, who with proper authority subscribed to the agreement at Paris on October 28, 1920, nor to abstain from the fulfillment of the obligations it had assumed by virtue of the said treaty. However, as the Government of the Soviet Union manifested an adverse attitude toward this treaty, His Majesty's Government deemed it necessary to defer the consummation of the act of ratification only in the hope that direct negotiations between Russia and Ru-

mania, such as those which took place between the two powers at Warsaw in 1921, as well as at Vienna in 1924, might lead to an agreement satisfactory to both parties, in which connection the good relations existing between Italy and the Soviet Union might indirectly contribute to the attainment of this agreement in an atmosphere of clear and correct understanding of respective interests.

This is the sole consideration that has guided the Italian Government up to the present in its actions.

But since the present position of Italy with regard to the treaty of 1920 cannot be prolonged indefinitely and since, on the other hand, there are no grounds for counting upon the early possibility of the amicable settlement of the question for which Italy hoped and even now continues to hope, His Majesty's Government decided not to put off the ratification of the said treaty any longer.

In bringing this decision to the attention of Your Excellency His Majesty's Government considers that the Soviet Government should not regard it as an unfriendly act toward Russia but only as Italy's desire to remain faithful to the international obligations undertaken by it in accord with the other Powers signatory to the Paris Treaty of October 28, 1920.

MUSSOLINI.

#### *Reply of the Soviet Government*

The following reply of the Soviet Government to the above note was presented by Mr. Kamenev on March 17:

In answer to your note of March 7 I have the honor to communicate the following to you:

With the utmost energy and with the requisite explicitness the Government of the Union of Socialist Soviet Republics has repeatedly announced to the whole world and to the governments which signed the Paris agreement of October 28, 1920, and, incidentally, also in the note of October 6, 1926, addressed to the Italian Government, that the annexation of Bessarabia by Rumania constituted a flagrant seizure of territory against the wishes of its inhabitants, a seizure which is a manifest infraction of the indisputable right of each people to self-determination. In view of the fact that the note of the Italian Government refers to the negotiations which took place in Warsaw and Vienna, I am compelled to call back to mind the fact that in all negotiations concerning Bessarabia the Soviet Government has always maintained the view that the fate of this territory can and should be decided exclusively through the free expression of the will of its population. It is precisely on this account that the Rumanian Government's rejection of the plebiscite proposed by the Soviet

Government testifies above all to the Rumanian Government's realization of the fact that it holds its dominion over the territory of Bessarabia only by means of military occupation and violence to the desires of the inhabitants. This fact cannot be altered in the minds of the people of the Soviet Union and of Bessarabia itself by any agreements between outside Powers or by the ratification of such agreements on the part of anybody whomsoever.

The signing of the Paris agreement of 1920, which was of a nature decidedly hostile to the Soviet Union, occurred at a time when the Powers participating in the pact not only entertained no relations at all with the Soviet Union, but were actually waging a war of intervention against it, even occupying its territory with their own armed forces. The ratification of this act three years after the resumption of normal diplomatic and economic relations between the two nations can have no justification, neither from the standpoint of international law, nor still less from the viewpoint of the interests of the peoples of the two countries.

I likewise cannot pass over in silence the fact that the ratification of this agreement on the part of Italy just at a moment which the public opinion of the whole world considers to be clouded with threats of the disruption of peace, is liable to aggravate this perilous situation and furnish support to those plans which are aimed against the Soviet Union and, consequently, against the peace of Europe. Expressing a determined protest in the name of my Government against the action of the Italian Government, I therefore consider it necessary to confirm to Your Excellency the fact that the Soviet Government as heretofore and unalterably regards the annexation of Bessarabia by Rumania as an act of unmitigated violence and that the protocol of October 28, 1920, now ratified by Italy and concluded without the participation of the Soviet Union and without the consultation of the Bessarabian population, constitutes in its eyes an action devoid of any legal significance and not only not likely to assure the peace of Eastern Europe, as the Italian Government supposes, but sharply in contradiction with the principles of a peaceful policy.

KAMENEV.

#### **Soviet-Turkish Agreement**

The Soviet-Turkish trade agreement signed on March 11, 1927, consists of several sections and contains clauses governing entry, exit, importation and exportation of personal property, and also the rights of private persons and corporate bodies. In addition there are articles covering trade and navigation drawn up in accordance with the principle of the most-favored-nation treatment. Under this agreement the Soviet

Trade Delegation is accorded a special status (extraterritoriality of premises, diplomatic privileges for the heads of the Delegation, etc.). Soviet economic organizations are granted the opportunity of conducting their activities on Turkish territory under the same conditions as the corporate bodies of any third country. Soviet goods enjoy tariff privileges equal to those granted to other nations. In their turn Turkish goods are accorded rebates on the Soviet import customs duties.

### **Commercial Treaties Concluded by the Soviet Union in 1925-26**

The fiscal year 1925-26 was marked by the conclusion of three new commercial treaties for the Soviet Union. Among these agreements exceptional importance attaches to the Soviet-German Treaty of October 12, 1925, which is in scope one of the broadest commercial treaties known to international practice.

Somewhat later a commercial treaty was concluded with Norway, the signatures having been appended on December 15, 1925.

The third treaty, which was concluded with Greece on June 23, 1926, is much less comprehensive than the other two, being mainly an agreement with regard to customs and tariff questions.

In its commercial treaties the Soviet Union has endeavored to obtain the right of the most-favored-nation treatment. The treaties with Germany and Norway meet this requirement in full measure, inasmuch as they contain a provision according the most-favored-nation privileges to the Soviet Union. Although the customs and tariff agreement with Greece does not include the principle of the most-favored-nation treatment in its general form, it is nevertheless satisfactory to the Soviet Union, since it specifies such most-favored-nation standing with respect to all Soviet commodities likely to have a market in Greece. Naturally, in securing the most-favored-nation treatment through its commercial treaties, the Soviet Union extended this privilege on its own part, such being the case in the treaties concluded during 1925-26.

Recognition of the State monopoly of foreign trade in the Soviet Union is acknowledged in all of the three new treaties and the rights of the Soviet trade delegations abroad are defined in detail.

With a view to the extension of its commercial treaty system during the past fiscal year the Soviet Union carried on negotiations still unsummed for trade agreements with a considerable number of countries. The pourparlers with France constituted the center of these activities.

Turkey should be mentioned among the Eastern countries with which the Soviet Union was last year conducting negotiations for a trade agree-

ment. (It was concluded on March 11, 1927.) Turko-Soviet relations were hitherto governed by treaties signed during the course of 1921 and 1922 between Turkey and the Russian Socialist Federated Soviet Republic, the Ukrainian Socialist Soviet Republic and the Transcaucasian Federation of Socialist Soviet Republics. These treaties did not touch upon matters of a politico-commercial nature. Negotiations concerning the latter were commenced at Angora in April, 1926, and brought to a successful conclusion in 1927.

In this connection reference should be made to the negotiations that are going on between the Soviet Union and Afghanistan.

### **Foreign Consular Representatives in U. S. S. R.**

The following is the official list of the foreign consular representatives in the Soviet Union as of November 15, 1926:

**Afghanistan:** A consul general at Tashkent, covering the Tashkent Province of the Uzbek Soviet Republic, and a consul at Merv, covering the Merv district of the Turkoman Soviet Republic.

**China:** A consul at Tashkent in the Uzbek Republic, Soviet Central Asia; a consul at Andijan in the Uzbek Republic; a consul at Zaisan in the Kazak Republic in Soviet Central Asia; a consul general at Semipalatinsk in the Kazak Republic; a consul general at Vladivostok; a consul at Nikolsko-Ussuriysk in the Far Eastern Region; a consul at Troitsko-Savsk in the Buryat-Mongol Republic; a consul general at Blagovyeshchensk, covering the Amur province of the Far Eastern Region; a consul at Chita, covering the Transbaikalian Province of the Far Eastern Region; a consul general at Khabarovsk, covering the Maritime Province of the Far Eastern Region; a consul at Nikolayevsk on the Amur, covering the Nikolayevsk District of the Maritime Province of the Far Eastern Region; a consul general at Irkutsk, covering the Siberian Region of the R. S. F. S. R.; a consul at Alma-Ata, in the Kazak Republic; a consul general at Leningrad, covering the Leningrad Province.

**Denmark:** A consul general at Leningrad covering the Provinces of Leningrad, Archangel, Novgorod, Pskov, Vologda, Cherepovetz and Tver.

**Finland:** A consul general at Leningrad, covering the Leningrad Province.

**Germany:** A consul general at Leningrad, covering the Provinces of Leningrad, Pskov, Novgorod, Cherepovetz, Vologda, Archangel, North-Dvinsk, Murmansk, and the Komi (Zyrian) Autonomous Area; a consul at Novo-Sibirsk (Novo-Nikolayevsk), covering the Kazak, Yakut and Buryat-Mongol Autonomous Soviet Republics, three districts of the Ural Region and the Siberian Region (the central sector of Siberia); a consul at Vladivostok, covering the Far Eastern Region

and the northern part of Sakhalin; a consul at Kiev, covering the districts of Kiev, Chernigov, Zhitomir, and Vinnitza in the Ukrainian Soviet Republic; a consul general at Kharkov, covering the Ukrainian Soviet Republic; a consul at Odessa, covering the Odessa District of the Ukrainian Republic, the cities of Pervomaisk, Zinovievsk, Nikolayev, Kherson, as well as the Moldavian and the Crimean Autonomous Soviet Republics; a consul general at Tiflis, covering the Transcaucasian Soviet Federation.

**Great Britain:** An assistant agent at Leningrad and an assistant agent at Vladivostok.

**Italy:** A consul general at Tiflis, covering Transcaucasia and the North-Caucasian Region; a consul at Leningrad, covering the Provinces of Leningrad, Pskov, Novgorod, Cherepovetz, Archangel, Murmansk, Vologda, Veliki Ustiug, Viatka and Kostroma, and the Komi (Zyrian) Autonomous Area; a consul general at Odessa, covering the Ukrainian Soviet Republic, the Crimean Autonomous Soviet Republic, the Don Region, the Kuban-Black Sea Region, and the Adigheh Autonomous Area; a vice-consul at Novorossiysk; a vice-consul at Kharkov.

**Japan:** A consul general at Vladivostok, covering the Vladivostok District of the Maritime Province; a consul general at Khabarovsk, covering the Khabarovsk District of the Maritime Province; a consul at Petropavlovsk, covering the Petropavlovsk District of the Kamchatka Province; a consul at Blagovyeschensk, covering the Blagovyeschensk District of the Amur Province; a consul at Odessa, covering the Odessa District; a consul at Novo-Sibirsk (Novo-Nikolayevsk), covering the Novo-Sibirsk District of the Siberian Region; a consul general at Alexandrovsk, in Sakhalin; a vice-consul at Leningrad.

**Latvia:** A consul general at Leningrad; a consul at Vitebsk, covering the White Russian Soviet Republic.

**Norway:** A consul at Leningrad, covering the Provinces of Leningrad, Novgorod and Murmansk, and the Karelian Autonomous Republic; a vice-consul at Krasnoyarsk in Siberia, and a consul at Archangel.

**Persia:** A consul general at Tashkent, covering the Uzbek Soviet Republic; a consul general at Baku, covering the Azerbaijan Soviet Republic; a consul general at Tiflis, covering the Georgian Soviet Republic; a consul at Astrakhan, covering the Astrakhan, the Stalingrad (Tsaritsyn), and Samara Provinces, the German-Volga Republic and the Turkoman Soviet Republic; a consul general at Rostov-on-the-Don; a consul at Novorossiysk, covering the Kuban-Black Sea Region; a consul at Askabad, covering the Turkoman Soviet Republic; a consul at Vladikavkaz, in the North-Caucasian Region; a consul at Batum, covering the Batum district of the Adjar Soviet Republic; a consul at Erivan, covering the Ar-

menian Soviet Republic; a vice-consul at Makhach-Kala, covering the Daghestan Autonomous Soviet Republic; a vice-consul at Lenkoran, in the Azerbaijan Soviet Republic; a consular agent at Krasnodar (formerly Ekaterinodar); a consular agent at Saratov; a consular agent at Armavir, in the North-Caucasian Region; a consular agent at Sukhum, covering the Abkhasian Autonomous Soviet Republic on the Black Sea coast of Transcaucasia, and the cities of Sochi and Tuapse; a consul at Nakhichevan, covering the Nakhichevan Autonomous Republic; a consul at Gandja (formerly Elizavetpol), covering the Gandja region in Azerbaijan; a consul at Leningrad.

**Poland:** A consul general at Kharkov covering the Ukrainian Soviet Republic; a consul general at Minsk; a consul at Leningrad, covering the Leningrad, Pskov, Novgorod, Cherepovetz and Murmansk Provinces; a consul at Kiev, covering the districts of Kiev, Korosten, Chernigov, Glukhov, Nezhin, Konotop, Priluki, Uman, Cherkassy, Zinovievsk, Bielotzerkov, Berdichev, Vinnitza, Shepetovka, Volhynia, Proskurov, Kamenetz, Mogilev, Pervomaisk, Odessa, Nikolaiev, Kherson and Tulchin, in the Ukraine, and the Moldavian Autonomous Soviet Republic; a consul at Tiflis.

**Sweden:** A consul at Leningrad, covering the Leningrad Province; a vice-consul at Archangel, covering the Archangel Province.

**Turkey:** A consul general at Odessa, covering the Odessa District; a consul general at Tiflis, covering the Tiflis District of Georgia; a consul at Baku, covering the Baku district of the Azerbaijan Soviet Republic; a consul at Leninakan, covering the Leninakan District of Armenia; a consul at Erivan, in Armenia; a consul at Batum.

### Appointments in Soviet Diplomatic Service

Mr. M. A. Loganovsky was appointed Plenipotentiary Representative of the Soviet Union in Finland, a position formerly held by Mr. I. L. Lorentz, who is now Plenipotentiary Representative of the Soviet Union in Latvia.

The Soviet Delegation entrusted with the conduct of negotiations with France consists of the following members: Chairman, Christian G. Rakovsky, Soviet Diplomatic Representative in France; Members, M. P. Tomsy, E. A. Preobrazhensky, A. L. Sheinman, M. G. Gurevitch, A. S. Svanidze, S. B. Chlenov, and the Soviet Trade Representative in France, ex officio.

### PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU

New Constitution of the Soviet Union.....	15c
Patent Law of the U.S.S.R.....	15c
Commercial Handbook of the U.S.S.R. for 1927...	30c

## Miscellaneous News

### New Criminal Code

On January 1, 1927, a new criminal code entered into effect in the Russian Socialist Federated Soviet Republic (R. S. F. S. R.). This code introduces a number of changes into the judicial procedure that has hitherto prevailed.

Special importance attaches to Article 6 of the new code, which provides that no criminality is entailed by any act which, although formally appearing to come under some article of the criminal code, is divested of any socially dangerous character by virtue of its triviality and lack of harmful consequences.

The penalties have been reduced on several offenses. Thus, in view of the fact that the struggle against bribery has had positive results, it has been found possible to curtail repressive measures against this crime in the new code.

In keeping with the general spirit of Soviet criminal jurisprudence the code opens with a number of introductory articles setting forth the retroactive force of the new criminal code. In cases in which the condemned was sentenced to a punishment of greater severity than the maximum imposed by the new code for the offense in question, the penalty is to be reduced to this revised maximum.

### Interurban Telephone Communication

Nearly all the most important cities of the Soviet Union—Leningrad, Kharkov, Kiev, Novorossiysk, Archangel, Saratov, Kazan, Odessa, Rostov, Minsk, Smolensk, and others—have telephone line connections with Moscow. Work has been started on the construction of the Moscow-Tiflis telephone line, which will be one of the longest in the Union and will also make it possible to connect with Baku, Vladikavkaz, Batum, Grozny and perhaps Erivan.

The largest portion (50 per cent) of interurban telephone conversations with the Moscow central station falls to the share of Leningrad. Last year telephone conversations between Moscow and Leningrad aggregated about 1,000,000 speaking minutes, as compared with 324,000 minutes for the year 1913.

The telephone system of Moscow Province was recently completed and now all the Township Central Executive Committees, factories and mills in the Moscow Province have telephone connections with the Capital. It is planned to connect the Moscow interurban telephone station with all the villages in the Moscow Province.

All the most modern improvements in telephone technology have been applied in the Moscow inter-

urban station. Multiple telephone apparatus has been installed, rendering it possible to conduct two conversations simultaneously over a single wire. In addition to its regular operations, the Moscow central station transmits radioprograms to various cities of the Soviet Union.

### Books and Newspapers in 36 Languages

The Central State Publishing House ("Centroizdat") provides periodical and other literature for the various small nationalities in the West and East of the Soviet Union. Books are published in 36 languages. During the fiscal year 1925-26 more than 1,000,000 copies of primers alone were turned out.

Educational work among the national minorities has been considerably facilitated as a result of the partial adoption of the Latin alphabet by the peoples of Islamic culture.

At the present time about 10 per cent of the instruction texts for the national minorities in the Soviet Union is printed in the Latin alphabet.

During the fiscal year 1925-26 a large amount of agricultural literature was issued.

Daily and weekly papers in the Tatar, Lettish, Mordvinian, German and Chuvash languages are also published, the total annual issue amounting to about 2,500,000 copies.

Monthly magazines are printed in the Chuvash, Mari, Tatar, Polish, German and Yiddish tongues.

### Expenditures for Public Education in the U. S. S. R.

The expenditures for public education in the Soviet Union are covered by appropriations from the budgets of the six constituent republics (Soviet Russia proper, in abbreviation RSFSR, the Ukraine, White Russia, Transcaucasia, the Uzbek Republic and the Turkoman Republic), called "republican budgets," and from the local budgets of their administrative subdivisions. (The republican budgets, jointly with the federal budget, constitute the State Budget of the Soviet Union.) As is shown in the table below, the expenditures for education, both in the republican and local budgets, have been growing continuously during the last three fiscal years:

#### *Republican and Local Appropriations in Millions of Rubles*

	1924-25	1925-26	1926-27
Republican Budgets.....	122.1	174.0	204.5
Local Budgets .....	229.9	294.8	411.4
Total .....	352.0	468.8	615.9

### New Source of Tanning Extract Found in U. S. S. R.

The Soviet hide and leather industry requires considerable quantities of tanning materials, about 70 per cent of which are imported at a cost of some 10,000,000 rubles a year. Recently the possibility of substituting tanning substance extracted from the Siberian "badan" root for these foreign materials has been revealed. Laboratory treatment of the "badan" root has yielded a dry, chemically pure tanning extract. The Soviet Leather Syndicate has acquired a large supply of "badan" for the preparation of this new dry extract, which it will use for tanning hides at its plants in Moscow and Taganrog.

The "badan" plant grows wild and yields 23 per cent of tannin. The extraction of tannin from the "badan" root available in Eastern Siberia alone would cover the entire tanning material requirements of the Soviet Union. Moreover, experiments have demonstrated the possibility of cultivating this plant in the European territory of the Union.

### The Chief Concessions Committee

In its present composition, as recently confirmed by the Council of People's Commissars of the Soviet Union, the Chief Concessions Committee consists of the following members: Chairman, L. D. Trotsky; Vice Chairman, V. N. Ksandro; Members, B. S. Stomoniakov, K. I. Knopinsky, A. A. Joffe, M. S. Reichel and M. I. Skobelev.

### Concession Contracts Concluded Since 1921

The number of concession contracts concluded by the Soviet Government since July, 1921, is 144. Of these 18 were concluded between July, 1921, and the end of 1922, 44 in 1923, 25 in 1924, 30 in 1925, and 27 in 1926 until October 1.

They were distributed as follows according to the basic branches of national economy:

Trading .....	36
Timber .....	6
Agriculture .....	10
Technical Service.....	6
Mining .....	24
Manufacturing .....	41
Transport and Communication.....	12
Building .....	3
Other .....	6
<b>Total .....</b>	<b>144</b>

As regards the nationality of the concessionaires, Germany stands first with 40 concessions; next comes England with 22, the United States with 15, and France with 5. The remaining 62 concessions are distributed among various nationalities.

### The All-Union Congress of Soviets

The federal Congress of Soviets which convened in the middle of April was attended by 1,517 delegates, distributed as follows, according to the six constituent republics: Russian Socialist Federal Soviet Republic (R. S. F. S. R.) 1,032 delegates; Ukraine, 312 delegates; White Russia, 55 delegates; Transcaucasian Soviet Federation, 63; the Uzbek Republic, 46, and the Turkoman Republic, 9 delegates.

### Participation of Women in Soviet Elections

Data concerning elections in 80 provincial cities show that 69.1 per cent of women members of trade unions took part in the elections, while the corresponding percentage of men organized in trade unions was only 67.2. As regards the participation of women in Soviet activities, a continuous growth is to be noticed in the course of the last four years. In 1923-24 the average number of women in the city Soviets constituted 13.1 per cent, in 1924-25 the percentage rose to 18.6, and in 1925-26 to 19.5. According to data available for 80 provincial cities, the percentage of women elected to city Soviets for the fiscal year 1926-27 has increased to 24.1.

### Limitation of the Sale of Alcoholic Beverages

The Council of People's Commissars of Soviet Russia proper (R. S. F. S. R.) has adopted a decision authorizing all of its administrative subdivisions to prohibit the sale of alcoholic beverages on holidays and after business hours, also in some localities to forbid the sale of these drinks on the eve of holidays. This decision applies to all alcoholic beverages except beer and light wines.

### Standard Oil Constructs Kerosene Plant in Batum

Equipment of a kerosene treating plant, to be constructed by the Standard Oil Company of New York, has been received at Batum, one of the principal oil ports of the Soviet Union on the Black Sea. The capacity of the plant will be upwards of 150,000 long tons of kerosene per year.

The plant is to be built in connection with a contract signed in London December 21 last between the Standard Oil Company of New York and the Soviet Oil Syndicate whereby the Standard will purchase up to 500,000 long tons of kerosene in three years.

The contract provides that the Standard is to build the plant and immediately turn it over to the Soviet Oil Syndicate, with the proviso that the Standard is to operate it under lease for three years, with an option for renewal for another three years.

# SOVIET UNION REVIEW

Fifteen Cents

June, 1927

Vol. V. No. 6

## General Policy of the Soviet Government Protest on Raid of Soviet Mission in England Soviet Notes on Peking and Shanghai Events Cultural Relations Between U.S.A. and U.S.S.R. Soviet-American Trade Customs Exemptions for Tourists in U.S.S.R.

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
General Policy of the Soviet Government.....	90	Protests of Soviet Consulate in Shanghai.....	98
Soviet-American Trade:		Fifth Anniversary of Rapallo Treaty.....	100
"Amtorg" Trade Turnover for Three		Mr. Litvinov's Telegram.....	100
Years.....	92	Dr. Stresemann's Reply.....	100
Purchases of Soviet Textile Industry in		Settlement of Soviet-Swiss Controversy.....	100
U. S. A.....	92	American Society for Cultural Relations with	
Supplies for Soviet Oil Wells Bought in		the U. S. S. R.....	100
U. S. A.....	92	Customs Exemptions for Tourists in U. S. S. R.	101
American Coal Mining Machinery for		Book Reviews:	
U. S. S. R.....	92	"Soviet versus Civilization," by Augur.....	102
New Head of Amtorg Trading Corp.....	92	"From Serfdom to Bolshevism," by Baron	
Jewish Agricultural Settlements in U. S. S. R.	93	N. Wrangel.....	102
Foreign Relations of the U. S. S. R.:			
Raid Upon Soviet Mission in London.....	94	Miscellaneous News	
Note of Soviet Chargé d'Affaires in Eng-		The New Administration of the U. S. S. R.....	103
land.....	94	Appeal of Soviet Scientists in Behalf of White-	
Note of Mr. Litvinov.....	94	Russians in Poland.....	103
Raid on Soviet Embassy in Peking.....	97	Soviet Bureau of Agricultural Information.....	103
Note of Soviet Embassy in Peking to		Representatives of Soviet Rubber Trust in	
Peking Government.....	97	U. S. A.....	104
Mr. Litvinov's Note to Chinese Chargé		Foreign Trade of the U. S. S. R.....	104
d'Affaires in Moscow.....	97	Soviet Oil Industry.....	104
		Soviet Metal Industry.....	104

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## General Policy of the Soviet Government

**A**FTER hearing the report of Mr. A. I. Rykov, Chairman of the Council of People's Commissars, the Fourth Congress of Soviets of the U. S. S. R., convened in Moscow on April 15, 1927, adopted a resolution on the general policy of the Government. The following are the most important passages of that resolution:

The Fourth Congress of Soviets of the Union of Soviet Socialist Republics, after hearing and discussing the report of Mr. A. I. Rykov, Chairman of the Council of People's Commissars of the U. S. S. R., concerning the activities of the Government of the U. S. S. R. for the last two years, fully approves the activities of the Government and its further political and economic program.

With alarm the Congress calls the attention of the people to the fact that the extremely aggressive tendencies directed against the U. S. S. R. have been rapidly increasing of late. The exceedingly strange British note of "warning," and subsequently the extremely impudent and unheard of acts of violence against the organs of the Soviet diplomatic service in Peking and Shanghai, acts which are without precedent in the history of international relations, and which were obviously carried out with a provocative purpose, are forcing the U. S. S. R. to be on its guard. The Congress recommends that the Government be prepared to repulse all new attempts to provoke the Soviet Union to a war with whomsoever it may be and to do all that lies in its power to avert war.

The Congress calls the attention of all the peoples of the world to the indisputable fact that the Soviet Union is the only country in the world which openly and directly carries out a consistent policy of peace, in keeping with the interests of humanity as a whole. Fully approving this policy of peace, the Congress recommends to the Government of the Union firmly to continue adhering to it in the future and to strive for the establishment and the consolidation of friendly relations with foreign countries. The Congress states with satisfaction that these endeavors of the U. S. S. R. have found a response in some countries, the development of economic relations with which is the best evidence of the correctness of this policy.

The Congress fully approves the measures undertaken by the Government towards the industrialization of the country, and it considers that the policy of industrialization carried on during

the period elapsed since the Third Congress (March, 1925) has fully justified itself. The Congress points out that this policy has resulted in a considerable strengthening of the basis of the country's socialist reconstruction, as expressed by the rapid growth of the large scale State industry, by the intensified growth of the branches of industry engaged in the manufacture of machines and implements, by the continuous numerical growth of the working class, and the improvement of its material situation, by the socialization of trade, by the weakening of the economic position of private capital, by the extension of the cooperative organizations, and finally by the process of placing agriculture on a more profitable and efficient basis. The Congress declares that all these achievements have become possible as a result of the measures adopted by the Government for the consolidation of the economic contact between city and country, and in particular due to the measures directed towards the reduction of prices of manufactured products, towards the lightening of the tax burden imposed upon the small and middle peasants, the development of the agricultural credit system, etc.

The Congress approves the activity of the Government in the matter of carrying out the instructions of the preceding Congress concerning the improvement and advancement of peasant agriculture to a higher cultured level, and points out that the results obtained in the regrouping of land holdings and the amelioration of the soil, in the matter of supplying agriculture with implements and machinery, and of cooperative organization of the poorer and middle strata of the peasantry, also in the struggle against the "kulak" upper strata of the villages, are on the whole satisfactory. The Congress fully approves the Government measures encouraging the development of technical and special crops, as expressed, in particular, by the enhancement of prices of some classes of agricultural raw materials. The Congress recommends that the Government pay particular attention to the necessity of the greatest possible encouragement of the growth and advancement of the production of agricultural raw materials which are of basic importance to industry; to the necessity of carrying out measures aiming to encourage agricultural specialization according to districts, as well as to increase the agricultural output produced for the

market, and to promote the development of the agricultural branches producing for export.

The Congress emphasizes the extreme importance of the above mentioned measures for the development of crops requiring much labor, as a means of taking care of overpopulation in the agricultural districts, and for the purpose of making use of the excess of agricultural labor by employing it in the same localities.

The Congress points with particular satisfaction to the tremendous growth of capital investments in national economy, which mark the entrance of the country upon a new phase of economic development on the basis of a reconstruction of national economy, and endorses the plan of major construction work, as drawn up by the Government for the current fiscal year to the amount of 2.5 billion rubles (over \$1,250,000,000).

The Congress approves the decisions of the Government concerning the construction of a powerful hydroelectrical plant on the Dnieper River, and of the Turkestan-Siberian Railroad, and it considers that these large undertakings are the beginning of a complete reorganization of the country's national economy in accordance with the general electrification plan.

In connection with the beginning of the period of reconstruction and the need of large new investments for economic development, the Congress urges the Government to do its utmost in intensifying its campaign for the carrying into effect of the principles of economical management, setting as its chief task not only the merciless discontinuance of uneconomical and wasteful expenditures of State resources, but also the placing of the entire economic system and political administration upon a more efficient basis. In particular, the Congress calls the attention of the Government to the necessity of cutting down expenses and of a further improvement of the apparatus of the political and economic administration, and of the utmost reduction of overhead expenses in commerce, industry and transport.

The Congress considers that the law concerning economical management, if carried into effect, should not impair the material situation of the working masses, and that, on the contrary, the rapid development of the country's productive forces conditioned on the application of the principles of economical management, will assure and increase the possibility of a further advancement of the welfare of the workers and peasants.

The Congress points to the great importance of a systematic activity tending towards a reduction of the prices of industrial commodities. The Congress approves the measures carried out in this respect, and insists upon the necessity of a further intensification of the price reducing policy, through a more efficient organization of the commodity supply system and the reduction of the expenditures of the trading apparatus, as well as

through a continuous reduction of the cost-price of manufactured products. Considering that red tape and inertia of the administrative apparatus are the most substantial obstacles to the carrying out of these measures, the Congress urges the Government mercilessly to prosecute any bureaucratic violation of the price reducing policy by the personnel of the political or economic administration.

The Congress approves the activity of the Government, aiming at the encouragement of the activities of the Soviets and at interesting the broad toiling masses in these activities. With particular satisfaction the Congress points to the success of the recent Soviet election campaign which evidenced a considerable growth of workers' and peasants' activity towards a socialist reconstruction of the country.

The Congress approves the activities of the Government as regards the carrying out of the instructions of the previous Congress concerning the various nationalities of the U. S. S. R. The Congress especially notes the strengthening of the financial basis for the further development of the Constituent and Autonomous Republics and Areas, the extension of their budget rights, and the increase of the federal appropriations to the budgets of the weakest autonomous units. The carrying out of these measures has facilitated systematic economic advancement of the economically backward peoples of the U. S. S. R. hand in hand with the further development of their cultural and social life.

#### COMMERCIAL HANDBOOK

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SOVIET UNION  
for 1927

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## Soviet-American Trade

**T**HE Amtorg Trading Corporation, 165 Broadway, New York, the principal organization in American-Soviet trade, celebrated in May the completion of its third year of operations. During the period, the trade turnover of the organization has been close to \$100,000,000, of which upwards of \$65,000,000, or about two-thirds, is represented by exports from the United States to the Soviet Union.

The exports include agricultural machinery and supplies (including 27,000 tractors) valued at \$16,137,984; industrial machinery and equipment, \$16,912,123; automotive equipment, \$2,752,284; raw materials (chiefly non-ferrous metals), \$5,131,406; semi-manufactured goods, \$921,478; staple consumption goods, \$23,422,040.

### Purchases of Soviet Textile Industry in U. S. A.

The All-Russian Textile Syndicate, Inc., 120 Broadway, New York, purchased American cotton valued at \$35,000,000 between October 1, 1926, and April 30, 1927, for the textile industry of the Soviet Union. This compares with purchases of \$33,053,445 for the entire previous year, ending September 30, 1926. The business year of the Textile Syndicate runs from October 1 to September 30.

During the three and a half years of its existence the Textile Syndicate has purchased and shipped to the Soviet Union, 1,191,193 bales of American cotton, besides dyes and equipment.

The output of the Soviet textile industry has now passed the pre-war mark and \$63,380,000 is being spent on capital improvements this year.

The purchase of complete equipment for a cotton spinning factory of 100,000 spindles is being negotiated in New England and ginning equipment is also being purchased in the United States for shipment to the Soviet cotton belt in Turkmenistan, Uzbekistan (in Soviet Central Asia), and the Caucasus. In addition wool spinning machinery to the value of \$100,000 has recently been ordered here, this being the first purchase of this kind in the United States from the woolen industry in the Soviet Union.

### Supplies for Soviet Oil Wells Bought in U. S. A.

Orders for oil well supplies totalling \$1,868,000 have been placed in the United States, for shipment to the oil fields of the Soviet Union, since October 1 last, the beginning of the Soviet fiscal year. Additional orders for about \$2,000,000 are to be placed in this country shortly. The orders were placed by the Amtorg Trading Corporation of New York.

Equipment already purchased includes seamless drill pipes to the value of \$425,000, drilling equip-

ment for about \$800,000, and pumping equipment for the remainder of the amount.

Rotary drilling machinery designed by Soviet engineers is being built for the Soviet oil trusts in American plants, and likewise cementing equipment designed in the Soviet Union.

A number of electrical motors purchased from Westinghouse and the International General Electric Company for the Soviet oil fields will be shipped during the next few months.

### American Coal Mining Machinery for U. S. S. R.

According to the terms of a contract concluded recently with the Sullivan Machinery Company, Chicago, Illinois, 135 CLE type coal cutters are to be shipped to the Donugol Coal Trust of the Donetz Basin, of which 60 are already on the sea. During the past year and a half 291 coal cutters of various types have been shipped to the Soviet Union from the United States. It is planned to purchase 250 more for the Donetz Basin in the fall.

### New Head of American-Soviet Trading Organization

Saul G. Bron, who has held various important executive positions in the trading organizations of the Soviet Union, has been elected Chairman of the Board of the Amtorg Trading Corporation, New York, the principal organization in American-Soviet trade. He succeeds Alexis V. Prigarin, who retires for pressing personal reasons. Mr. Bron recently arrived from Moscow. Amtorg, a New York corporation, represents the principal industrial and trading organizations of the Soviet Union and has a business turnover of close to \$50,000,000 a year.

Mr. Bron issued the following statement at his office:

"Because of American unrivalled machine production, trade with America is considered of great importance in the Soviet Union. It was a common practice in pre-war days to transact trade between the two countries through European middlemen. Soviet policy now aims to carry on the trade directly to the fullest extent. This policy will be of benefit to both the American exporter and importer and the Soviet consumer and exporter.

"Industrial leaders in the Soviet Union are fully awake to the value of utilizing American technical and industrial skill to assist in developing the rich natural resources of the country and promoting its industrialization. A number of preeminent American engineers have already been retained by the Soviet authorities, among them Col. Hugh L. Cooper, who is now in the Soviet Union in connection with the Dnieper River hydroelectric development which will feed power to the whole southern mining district.

"Trade between the United States and the Soviet Union during the past Soviet fiscal year aggregated nearly \$80,000,000, of which imports from the United States constituted \$63,000,000, over 50 per cent greater than the pre-war figures.

"Further development of trade between the two countries depends to a large extent on the credit terms which American manufacturers are willing to give on purchases for the Soviet Union. I am sure that in view of the plans prepared by Soviet industrial organizations further expansion of American-Soviet trade can be expected."

Mr. Bron was born in the Ukraine and is 40 years of age. He spent a good part of his early years in Germany, France and Switzerland, taking his degree of Doctor of Philosophy at the Universities of Zurich and Kiev. While abroad he studied the grain trade and worked in this field after his return to Russia.

After 1917 Mr. Bron held for four years the post of Minister for Foreign Trade for the Ukraine and served on the Supreme Economic Council. During the past two years he has been President of "Exportkhleb", the federal grain export organization of the Soviet Union, besides serving as a member of the Collegium of the Soviet Commissariat for Trade and a director of the "Roscombank", the Bank for Foreign Trade.

## Jewish Agricultural Settlements in U. S. S. R.

**D**URING the current year 5,000 more Jewish families will be settled on the land. For this purpose the Soviet authorities have apportioned 272,000 acres in Ukraine, White Russia and the Crimea.

To assist financially the Jewish land settlement in 1927 the Commissariat for Finance of the Soviet Union has assigned a credit of \$750,000 in the federal Budget and the Central Agricultural Bank and other banks have opened credits to the amount of about \$500,000. In addition a number of Jewish organizations have allotted further sums as follows: Agro-Joint \$1,500,000; Paris Board of the Jewish Colonization Society \$284,000; Berlin "ORT," \$150,000. The American "IKOR" has undertaken to bear the expenses for settling 500 more families. Financial assistance is likewise forthcoming from South Africa, Argentina and other countries.

At the initiative of the Society for the Promotion of Jewish Land Settlers a special bank is being organized in Moscow for the settlers and for Jewish home-craft workers called the Agro-Kust-Bank. The principal shareholders are the Central Agricultural Bank, the Industrial Bank and a number of foreign Jewish relief organizations.

## A Jewish National District in the Ukraine

The first Jewish administrative body ever assembled in Russian or Ukrainian territory was organized late in March as the first Congress of Soviets of the newly created Jewish National District in the Kherson Province of the Ukrainian Soviet Republic. The District includes six Jewish village soviets. The Jewish population of the area is 27,000.

Most of the Jewish settlers have been established on the land during the past two years, with the help of American funds donated by the Joint Distribution Committee and allotments from the Soviet Government. They have 220,000 acres of land given by the Ukrainian Soviet Government.

The new Jewish regional government has its headquarters in the Seyde-Menukhe colony, famed for its fruit orchards, which has a population of 3,000. In this colony have already been established several Jewish schools, an agricultural credit society and a hospital.

## Jewish Agricultural Settlements in White Russia

At the end of 1926 there were in White Russia 145 Jewish collective farms, 20 Jewish agricultural settlements and 600 Jewish homesteads. Over 900 Jewish families in White Russia took up agricultural life during the year 1925, having received 25,500 acres of land for this purpose. During 1926 over three hundred Jewish families took up farming, 8,250 acres of land having been allotted to them. The White Russian Commissariat for Agriculture is organizing the investigation of land tracts available for further Jewish colonization.

Two Jewish chairs, one of Jewish History and the other on the History of Jewish Agriculture, have been established in the White Russian Agricultural Academy.

## Total Figures Concerning Jewish Agricultural Settlement

In the course of 1926 an aggregate of 250,000 acres of land was assigned to Jewish agricultural settlers. Of this total 87,000 acres were allotted in the Crimea, and over 150,000 acres in the Ukraine. The number of Jewish families settled on the land in the course of 1926 was 5,003, of whom 3,566 were settled in the Ukraine. The total number of Jewish families settled on the land in the course of the last two years was 10,229.

In the course of the past year 1,517 houses were built, 261 wells were dug, and 750 acres of vineyards were planted on the lands newly granted to the colonists. The necessary resources were raised by the State, by public organizations and by the colonists themselves. The area sown per family averages 22 acres.

# Foreign Relations of the Soviet Union

THE following two Soviet notes were transmitted to the British Government as a protest against the raiding of the premises of the Soviet Trade Delegation in London:

*Note of Mr. A. Rosengolz, Soviet Chargé d'Affaires in England*

The note of Mr. Rosengolz, Chargé d'Affaires of the Soviet Union in England, was addressed to the British Foreign Office on May 12, 1927, the date of the raid. Its text follows:

At half-past four this afternoon the premises of Arcos and the Trade Delegation of the Union of Soviet Socialist Republics, at 49 Moorgate, were occupied by armed police; this in spite of the fact that, in accordance with the Trade Agreement of 1921, the premises of the Trade Delegation, being the offices of Mr. Khinchuk, the Official Trade Agent of the U. S. S. R. in Great Britain, enjoy diplomatic immunity. According to Article 5 of the above Trade Agreement, Mr. Khinchuk enjoys all the rights and immunities enjoyed by the official representatives of other foreign Powers in Great Britain. The right of Mr. Khinchuk to the above-mentioned privileges was confirmed quite recently by the Foreign Office Note of February 16, 1927.

During the raid, which is still in progress at the time of writing, an employee of the Trade Delegation, Mr. Khudiakov, who had refused to give up the key of a safe containing the personal papers, cipher codes, etc., of the Official Trade Agent, was assaulted by the police. The post addressed to the Official Trade Agent, which had just been brought by the couriers, was carried off by the police.

These proceedings are a flagrant violation of Article 5 of the Trade Agreement, which includes the following passage:

"Official Agents shall be at liberty to communicate freely with their own Government and with other official representatives of their Government in other countries by post, telegraph, and wireless telegraphy in cipher and to receive and despatch couriers with sealed bags, subject to a limitation of three kilograms per week, which shall be exempt from examination."

Moreover, in accordance with Article 1, of the Trade Agreement, the British Government has undertaken "not to exercise any discrimination against such trade as compared with that carried on with any other foreign country, or to place any impediment in the way of banking, credit and financial operations for the purpose of such trade." But the very fact of the occurrence of the raid must inevitably injure Anglo-Soviet trade.

In addition, I must point out that during the raid the most elementary guarantees and demands of common decency were violated. The search was begun before the presentation of the warrant, which was only handed to the assistant director of Arcos, Mr. Sorokin, an hour after the commencement of the search. In nearly the whole of the premises the search proceeded in the absence of representatives of the institution raided. All the employees of Arcos and of the Trade Delegation, both men and women, were detained and subjected to a personal search. Among those detained were women possessing diplomatic passports, as, for instance, the wife of the Chargé d'Affaires and the wife of the Financial Attaché, Mme. Shannin. The personal search of the women was carried out by male police officers.

I beg to state that I have informed my Government of all that has occurred, but, whilst awaiting their decisions and instructions, I consider it my duty to protest most emphatically against the violation in the above manner of the obligations undertaken by the British Government in accordance with the Trade Agreement of 1921.

A. ROSENGOLZ.

*Note of Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union*

The Note of the Soviet Government, signed by Mr. M. Litvinov, Assistant Commissar for Foreign Affairs, was handed to the British Charge d'Affaires on May 17, 1927. Its text is as follows:

In his Note of the 12th inst. the Charge d'Affaires ad interim of the Union of Soviet Socialist Republics in England, Rosengolz, lodged a formal protest to the British Government against the violation of the Trade Agreement of 1921, as expressed in the raid of the British police on the premises of the Soviet Trade Delegation in London, against the examination and removal from the premises of documents belonging to the Delegation, including ciphers and codes, and against the offensive and rude conduct of the police during the said raid.

While I most resolutely confirm and uphold the protest of Rosengolz, I deem it necessary to call the attention of the British Government to the following:

On the resumption of economic relations with Great Britain and other Western States immediately after the cessation of the intervention and blockade of the U. S. S. R., the Soviet Government postulated that, as in relations between private commercial firms, the greatest importance should be attached to the safeguarding of the

commercial secrets of Governmental organizations, which under the State monopoly of foreign trade concentrate in their hands all the import and export operations of the whole State and carry them through within the limits of the State plans and projects as established beforehand.

The Soviet Government, therefore, considered that it must especially insist upon a full guarantee of the immunity of State documents, instructions, circulars, and orders which it sends abroad being granted. In the subsequent negotiations for the restoration of relations with Great Britain and other Western States, and for the conclusion of Commercial Treaties the Soviet Government accordingly always laid special stress upon its demand for the guaranteeing of full immunity of its trade agencies abroad.

At the same time the Soviet Government also took into consideration the hostile atmosphere in which the commercial agents of the first Soviet State would have to work in Capitalistic countries and the extraordinary attention which they might attract on the part of reactionary circles and the police of these countries. The principle of the immunity of the Trade Delegations and representations of the Soviet Union has now been recognized by nearly all the countries with which the Soviet Government has Treaty relations. No objections were raised against this principle by the British Government in the person of Sir Robert Horne, then President of the Board of Trade, who in 1921 carried on negotiations with the late M. Krassin. This principle was embodied in the fifth article of the Soviet-British trade agreement of 1921, which has now been violated by the British authorities in the grossest and most insulting manner.

According to the information to hand, the warrant on the strength of which the search of Soviet House, Moorgate Street, was made, and which was presented only one hour after the arrival of the police, had in view both Arcos, Ltd., and the Trade Delegation. Although Arcos is nominally a joint stock company registered according to British laws, the British authorities certainly knew that its main, if not its sole, business was to carry on trade operations by commission for the Soviet economic organizations. A police raid on an English trading company with good references in British circles with an annual turnover of tens of millions sterling, which has accurately filled its obligations, is altogether unprecedented in the history of the City of London. The raid could only be actuated by the motive of causing detriment to the Soviet interests connected with the activities of Arcos by compromising the latter and creating around it an atmosphere of want of confidence and hostility.

From this point of view the Soviet Government feels that it has a right to protest against the

raid on Arcos. However, if in regard to Arcos the British authorities, ignoring the most elementary demands of correctness, commercial usages, and even reasonableness, can refer to their formal right, there cannot exist the least doubt that the violent irruption of the police into the premises of the Trade Delegation and the acts they committed there also are a flagrant violation of the agreement of 1921. According to the fifth article of this agreement, the official agent of the U. S. S. R. is granted the right to use cipher correspondence. It follows from this that such correspondence, as well as the ciphers themselves, may by no means be examined by the agents of another State or any outside persons without the special consent of the chief of the Trade Delegation. If the same article of the agreement grants an official agent the right to receive, on the strength of diplomatic immunity, through special couriers sealed packets, it is self-evident to everyone that the contents of these packets are immune.

Nevertheless, police agents, having forced their way on to the premises of the Trade Delegation and the personal bureau of M. Khintchuk, an official agent enjoying diplomatic immunity, allowed themselves to examine and take away without discrimination all papers found there, including ciphered correspondence, codes, and papers received by the diplomatic mail, etc. At the same time, officials of the cipher department of the Trade Delegation, MM. Miller and Hudiskoff, who were fulfilling their duty, protested against the illegal demands of the police, and were subjected to acts of violence and even beaten; while the wife of the Charge d'Affaires ad interim of the U. S. S. R., who was on the premises and has a diplomatic passport, was detained with violence and searched.

No less significant is the political aspect of the above-mentioned measures of the British Government. The absolutely uncalled-for police raid on a Government institution of another State, apart from the question of Treaty rights belonging to it, is itself a most serious hostile act, without doubt jeopardizing the further preservation of relations between the interested States, with all the ensuing consequences. The fact that the Trade Delegation by its activity gave no justification for such a raid can be proved by the circumstance that on the part of the British Government there was not a single instance of representations or complaint about this activity.

The police authorities themselves who undertook the raid apparently did not expect to find on the premises of the Trade Delegation any documents throwing the least shadow on the Delegation's activity or capable of serving as a basis for accusing it of illegal actions. Otherwise, they would have taken good care to make the search in such conditions as would be a guarantee against

the abuses possible in such cases and a guarantee of faith in the results of the search. By refusing the representatives of the Trade Delegation the right to be present during the search and to certify the authenticity of the documents taken away by drawing up a proper list and protocol the police authority deprived the search of any formal significance. The British Government certainly has cognizance of the Soviet Government's Note referring to the police raid recently made in the same manner and in analogous circumstances in China. To provide the search with even the most elementary legal guarantees was in the circumstances most necessary in view of the ominous role already once played in the relations between the Soviet Union and Great Britain by a forged document.

It is impossible not to recall today the Note of February 23, wherein Sir Austen Chamberlain, referring to the tension in the relations between the Soviet Union and Great Britain, sought reasons for this tension in the conduct of the Soviet Press and of certain Soviet statesmen and public leaders. Actually the police raid on the premises of the Soviet Trade Delegation, and the motives underlying this action clearly show in which direction should be sought the true reasons for the unsatisfactory Soviet-British relations.

Against the accusations against the Soviet Government, unfounded and absolutely unconfirmed by any proofs, although often repeated, of the non-observance of obligations undertaken and the violation of the rules of international relations, the Soviet Government can produce proof of absolutely unquestionable violation by the British Government of the Soviet-British Agreement of 1921, and of the most offensive handling of persons enjoying the right of diplomatic immunity while the requirements of international law and recognized international usages were totally ignored.

These actions of the British Government show not only that it is not disturbed by the tension of Anglo-Soviet relations, of which it complained in its Note of February 23, but that it is apparently striving to bring this tension to a culminating point. These actions are also evidently in contradiction to the oft-repeated declarations of the British Government regarding its desires to preserve the general peace and to improve the economic conditions of Europe.

Synchronizing with the sessions of the International Economic Conference called by the League of Nations, whose leading member is Great Britain, with a view, it is asserted by the organizers of the conference, to stimulating and consolidating international economic ties and removing all unnecessary obstacles and hinderances in the path of the economic cooperation of the peoples, these actions show the whole world where

are to be found the really destructive forces which are working for the worsening of the economic chaos and anarchy of Europe.

Putting above all the interests of peace and desiring to ensure peaceful conditions for internal construction within the U. S. S. R., the Soviet Government has patiently suffered for a long time a series of gross attacks, provocative acts from individual members of the British Government and the Government itself. The Soviet Government has repeatedly declared its willingness to do everything in its power within the limits of normal relations and negotiations on equal terms for the adjustment of all misunderstandings on pending questions between both Governments. With this object it had not discontinued trade relations with Great Britain, trying to enlarge them as British circles went half way to meet the Soviet Government and inasmuch as the British Government did not prevent such action. It noted with satisfaction the growing interest noticeable lately in the Soviet market on the part of the City of London and the growing confidence in Soviet economic organizations shown by London banks, as testified by the agreement regarding a credit of £10,000,000 recently concluded with one of these banks just before the raid.

However, the absolutely unprecedented and unrestrained hostile campaign of hate which culminated in the raid on the premises of the Trade Delegation, and which also lately was meeting with growing encouragement by members of the British Government, compels the Soviet Government with all the earnestness and frankness demanded by the alarming situation created to put the question to the British Government whether it desires the further preservation and development of Anglo-Soviet trade relations or whether it intends in the future to hamper them.

For its part the Soviet Government categorically declares that the conduct of trade relations is possible only on condition of the strict observance by the British Government of the Trade Agreement and of the guaranteeing to the economic organs of the U. S. S. R. the possibility of quiet and normal work. The Soviet Government equally resolutely declares that, while realizing its self-appointed tasks of internal development according to a definite economic plan, and while coordinating with this plan its operations in foreign trade, it cannot countenance that the conduct of these operations shall be made dependent upon casual party combinations in England, electioneering manoeuvres, or the fantastical ideas of this or that Minister.

The Soviet Government feels it has the right to demand from the British Government a clear and unequivocal reply, from which it may be possible to draw due conclusions. At the same time it reserves the right to present demands for satis-

faction for the violation by the British Government of its treaty obligations, for insults suffered, and for material losses caused by the action of the police.

M. LITVINOV.

### Raid on Soviet Embassy in Peking

On April 6, 1927, the Soviet Embassy in Peking sent the following note to the Minister of Foreign Affairs of the Peking Government:

"Today, at 11 o'clock in the morning, an armed detachment of police and soldiers forcibly invaded the embassy compound and occupied the western part thereof, including the quarters and the offices of the Military Attaché. The intruding soldiers and policemen arrested the employees of the embassy and the Chinese servants who were in that part of the territory of the embassy, roughly handling and beating savagely some of the arrested persons. The soldiers and policemen who forced their way into the premises searched and sacked a great number of the private houses situated in this part of the embassy compound. They searched and sacked the offices of the Military Attaché. They turned their particular attention to the library and the club; these premises were completely destroyed, and the library was carried away. The women and children encountered by them during the search were robbed; their money was taken away; they were seized and arrested and were freed only at 7 o'clock in the evening. Of the persons located in the other part of the Soviet Embassy compound, no one was admitted to that section in which the scenes of violence and looting took place, and even responsible officials of the embassy, who tried to get in touch with the commander of the intruding troops, were brutally pushed back by the police. The intruders still occupy the premises, and as a result part of the embassy employees have remained without shelter. The violation of the extraterritoriality rights of the Soviet Embassy is of so inadmissible and unheard of character that the Soviet Embassy, aside from the expression of its most energetic protest, has already reported the occurrence to its Government and expects the latter's decision for the adoption of further measures."

### *Mr. Litvinov's Note to the Chinese Chargé d'Affaires*

On April 9, 1927, Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, addressed the following note to the Chinese Chargé d'Affaires in Moscow:

In connection with the raid by armed soldiers of Chang Tso-lin's army and the Peking police upon the premises of the Military Attaché of the Soviet Embassy in Peking and upon the quarters of the Embassy employees, I have the honor to ask you to transmit the following to the Peking Cabinet:

1. Supplementing the note of Mr. Chernykh, Chargé d'Affaires of the U. S. S. R., delivered on April 6, 1927, in which he notified the Peking Government of the outrageous raid upon the premises of the Military Attaché and the quarters of the embassy employees, of the assaults and arrests to which they were subjected, and of the searching and looting of their quarters, it may be stated on the basis of information available at present, that in spite of protests, the quarters and the office of the Military Attaché were searched, looted and partly burned; and that the quarters of the embassy employees were likewise sacked and looted. A number of employees were arrested, and some of them were beaten up and subjected to acts of violence and insults. It is not possible to ascertain the names of all arrested persons because the armed policemen and soldiers did not admit anybody to the section in which the quarters of the Military Attaché and of the employees were situated, and the names of the arrested persons have not been communicated so far. At the present time armed soldiers and police still occupy all the premises of the Military Attaché as well as the quarters of the Embassy employees.

2. The raid carried out by the Peking authorities is an unheard of violation of the elementary principles of international law. The original supposition expressed by Mr. Chen himself, Chargé d'Affaires of the Peking Government in Moscow, to the effect that what took place was an attack by bandits and not a search on the part of the State police, has at present, after the delivery of the note of Mr. Vai-Tsiao-Boo, Minister of Foreign Affairs in Peking, on April 8, 1927, proved to be out of keeping with reality. The People's Commissariat for Foreign Affairs was inclined to consider Mr. Chen's supposition as the most likely, because it could not assume that the lawful executors of the will of the Peking Cabinet could commit the acts enumerated in the note of Mr. Chernykh, Chargé d'Affaires of the U. S. S. R. and mentioned above, viz.: arrest and brutal assault of employees of the Embassy, sacking of the quarters of the Military Attaché, searching and looting of the Trade Delegation and of the major part of the quarters of the Embassy employees, situated in the same section as the latter. At the present time it may be considered as firmly established that the acts which Mr. Chen characterized as a bandit raid, were committed by Peking soldiers and police upon the orders of the Peking Government. Such acts of violence are entirely without precedent between two countries entertaining official relations.

3. If the Peking Government considered that it was raiding a building which, as it writes in its note is "under the direct management of the Soviet Embassy," it had no right to undertake

any actions with regard to these premises without notifying the Soviet Embassy. However, access to the territory on which the searches and the sacking took place, was refused by the raiding soldiers not only to representatives of the Embassy, but even to Mr. Chernykh, Chargé d'Affaires of the U. S. S. R.

Such a course of action may be explained only by the fact that the Peking Cabinet preferred to have the acts of violence and looting effected by its agents in the absence of official persons. The completely incredible and implausible statement made by the Peking Government alleging that during the search weapons and documents were found which constituted evidence that an uprising was being prepared, may explain why the raid upon the quarters of the Military Attaché and of the Embassy employees was carried out under such extraordinary circumstances. For under such circumstances which exclude any possibility of control, or of listing the seized objects, etc., there is no guaranty that things that could be used by hostile foreign influences which inspired and countenanced the raid of April 6, may not be made to appear among the objects "found" in those premises.

4. If the Peking Cabinet was in possession of information as to the presence on the territory directly managed by the Soviet Embassy, of Chinese citizens to whom it attributed activities directed against its interests, it was fully in a position, and was bound, in the first place, to bring this to the cognizance of the Soviet Embassy. However, it appears from your note, Mr. Chargé d'Affaires, that the Peking Government has considered it more appropriate to apply, on this account, to the diplomatic corps in Peking, and, with the consent of the Dutch Minister Oudenbijk acting in the name of the diplomatic corps, to violate the extra-territorial rights of the Military Attaché, to commit acts of violence against Embassy employees, and to sack and pillage their quarters. The collaboration of military and police forces of the Peking Government with the representative of the diplomatic corps in Peking throws light upon the real driving forces behind the outrageous acts of violence and infringements of international law, and constitutes a further evidence indicating in whose interests these acts of violence were committed.

The Government of U. S. S. R. firmly protests against the above mentioned acts of violence and infringements of law, and considers it necessary to insist upon the fulfilment of the following elementary requests:

(a) The Chinese military and police forces must immediately be removed from the quarters of the Military Attaché and from those of the employees of the Embassy and of the Trade Delegation.

(b) All the arrested employees of the Soviet Embassy and of the Soviet economic institutions are to be freed immediately.

(c) All the documents seized in the premises of the Military Attaché are to be returned immediately.

(d) The property, such as money, personal belongings, furniture, books, etc., robbed and taken away by the police and the military authorities of the Ankuochun (Northern Army), is to be returned immediately to its owners.

The Soviet Government considers that until these demands are complied with, it is compelled, as a sign of protest, to recall from Peking its Chargé d'Affaires, Mr. Chernykh, with the entire embassy staff, leaving only the personnel in charge of the execution of the consular functions.

The Soviet Government is restricting itself to the above essential demands which are far from placing the Peking Government in a humiliating position. Had similar acts of violence been committed against the representatives of any imperialist government, the latter would have answered with the most ferocious reprisals. The Soviet Government which is in possession of sufficient technical resources to enable it to resort to measures of retaliation, nevertheless declares that it decidedly renounces such measures. The Soviet Government is fully aware of the fact that irresponsible foreign imperialist spheres are attempting to provoke the U. S. S. R. to war. The Soviet Government is fully aware of the fact that the Peking Cabinet has become a tool in the game played by foreign imperialist spheres. But the Soviet Government has been basing and will base its policy on the interests of the working masses of the entire world, including the interests of the masses of the Chinese people and of the working class of all countries. As a reply to the Peking act of provocation the aim of which is to aggravate the international situation and to convert into a new world war the military operations actually conducted at present against China by a few imperialist countries, the Soviet Government declares that it will not let itself be provoked by anybody and that it will by all means stand for the cause of peace among the peoples. The Soviet Government has no doubts that in its endeavor to preserve peace it will meet with the friendly support of the working masses of all countries, including, first of all, the peoples of China and of the U. S. S. R.

M. LITVINOV.

#### Protests of the Soviet Consulate in Shanghai

On April 7, 1927, Mr. Linde, Consul General of the Soviet Union in Shanghai, addressed the following letter to the Norwegian Consul, Mr. Aall, Dean of the Shanghai Consular Corps:

"Today, at 12:30 in the afternoon, I had a per-

sonal conversation with you on account of the police demonstration at the doors of the Soviet Consulate, still continuing since yesterday 6 o'clock in the evening. You declared that you would take up the matter with the head of the municipal police. Today, at half past five in the evening, the vice-consul spoke with you over the telephone. You stated that you had spoken to Mr. Fessenden, Chairman of the Municipal Council. You were thereupon informed that several officers of the municipal police were stationed at the doors of the consulate and were searching all persons entering and leaving the consulate. You promised immediately to communicate about this matter with the chief of the municipal police. I am in a position to bring to your cognizance the following: It has been positively established that among the police forces there are Russian White-Guards who in my presence, notwithstanding her protests, searched Miss Khmeleva, an employee of the Consulate. This outrageous attitude of the police officers compels me categorically to protest to you, as the Dean of the Consular Corps, and to ask that measures be taken immediately to discontinue such outrages. At the present moment Russian White-Guard volunteers on motor lorries have driven up to, and surrounded the Consulate, which confirms the suspicion that the local authorities are deliberately getting ready for a well-prepared raid upon the Soviet consulate. I place upon you and all the members of the consular body the responsibility for anything that may occur. I again demand the discontinuance of similar demonstrations of solidarity with the Peking events."

On April 8, 1927, Mr. Linde sent the following note to the Commissary of Foreign Affairs of the Chinese province of Kiang-su in which the city of Shanghai is situated:

"I hereby bring to your cognizance the unlawful acts of hostility towards the U. S. S. R. undertaken on April 6 and 7 in the vicinity of the Consulate, which acts you witnessed on the day you visited the Consulate. On April 6, at 6 o'clock in the evening, nobody knows upon whose orders, a reinforced police patrol appeared at the entrance to the Consulate General. The policemen searched the persons visiting the consulate and wrote down the numbers of the automobiles stopping at the consulate. I personally called the attention of the Dean of the Consular Corps to the brutal behavior of the police, and declared to him officially that in case of an invasion of armed forces into the building of the consulate the responsibility therefor would be placed entirely not only upon the consular body as a whole, but also upon its individual members. The Dean of the Consular Corps declared that he would take all the measures toward a favorable settlement of the

affair, and that at the moment he was without any information about the possibility of a raid. On April 7, at 5 o'clock in the afternoon, there arrived a new special police detachment, reinforced by a volunteer squad of Russians who had taken part in uprisings against the Soviet Government. The new-comers occupied all entrances to the consulate and searched everybody, including women. My secretary on Chinese affairs was sent immediately to the Dean of the Consular Corps. The latter, constituting the highest authority on the territory of the Settlement, expressed his astonishment on account of the continuance of the indignities, and telephoned to this effect to Fessenden, Chairman of the Municipal Council, who answered that he assumed the entire responsibility. This circumstance was personally attested by the Dean of the Consular Corps who visited the consulate at 10 o'clock in the evening. At that time I repeated my statement concerning responsibility, which I had made in the morning, and I handed him a note of the same content. It appears from the above that the surrounding, or, in other words, the putting under guard of the consulate building, was effected not only without the knowledge of the Chinese authorities but even without the knowledge of the Dean of the Consular Corps. It is unknown to me what considerations prompted the persons who ordered the commission of these hostile and unlawful acts, but the circumstance that in the commission of these acts is taking part a Russian squad composed of persons whom my Government considers as rebels, represents a deliberate demonstration of a hostile political character, which is not only in violation of the friendly relations between the U. S. S. R. and China and the other countries, but also of the decision of the Municipal Council concerning the maintenance of order on the territory of the Settlement. It is my duty categorically to protest, and I do protest, against the attempts to place the responsibility for these occurrences upon persons who are not official representatives of the State authority, being only subordinates who are bound to conform their actions with the proper representatives of the State authority. At the same time I wish to point out that the Soviet Consulate represents the U. S. S. R. with the local Chinese Government and not with the municipal council of the International Settlement. For this reason the Consulate is guided exclusively by Chinese laws and not by any other laws. I ask you immediately to adopt measures for the discontinuance of hostile actions directed against the Consulate on the part of the authorities of the Settlement, and thus to strengthen the friendly ties uniting the Chinese people with the peoples of the U. S. S. R., regardless of any hostile manifestations."

### Fifth Anniversary of Rapallo Treaty

On occasion of the fifth anniversary of the conclusion of the Soviet-German Treaty of Rapallo, which was signed on April 18, 1922, the following telegrams were exchanged between Mr. M. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, and Dr. G. Stresemann, German Minister of Foreign Affairs:

#### *Mr. Litvinov's Telegram*

On the fifth anniversary of the signing of the Treaty of Rapallo which laid the basis for the friendly relations between Germany and the U.S.S.R., I consider it my pleasant duty to extend my greetings to you and to the German Government. The Governments of both countries have invariably observed the principles of the Rapallo Treaty; this has in particular found its expression in the conclusion of the Agreement of October 12, 1925, and of the Berlin Agreement of April 24, 1926. The Government of the Soviet Union is deeply convinced that the strengthening and developing of friendly relations between Germany and the Soviet Union entirely corresponds to the interests of both countries. I am firmly convinced that the principles of the Treaty of Rapallo, whose significance was confirmed in the course of five years, will in the future likewise remain the basis for a favorable development of Soviet-German relations and for the securing of peace which is so necessary to the peoples of the whole world.

LITVINOV.

#### *Dr. Stresemann's Reply*

I thank you sincerely for the friendly words which you addressed to me in connection with the fifth anniversary of the Treaty of Rapallo. You may be convinced that the thoughts which found expression in your telegram are heartily shared not only by me personally but also by the German Government. I share your conviction that the friendly collaboration between the Soviet Union and Germany which took its inception in the Treaty of Rapallo and was consolidated by the Agreement of October 12, 1925, and the Berlin Agreement of April 24, 1926, serves the interests of both countries, and I express my sincere wish that the principles established in these agreements should retain their force in the future and contribute to the preservation of general peace.

STRESEMANN.

### Settlement of the Soviet-Swiss Controversy

After the conclusion of the negotiations which took place in Berlin between Mr. N. N. Krestinsky, Plenipotentiary Representative of the Soviet Union in Germany, and the Swiss Minister Mr. Ruefenacht, the following protocol was signed by both parties on April 14, 1927:

"In consideration of the desire of the Government of the Union of Soviet Socialist Republics and of the Swiss Federation to settle the conflict

existing between the two governments, which had arisen as a result of the assassination of Mr. Vorovsky at the time of the Lausanne Conference, and as a result of the attempt at the lives of Messrs. Ahrens and Divilkovsky, the Swiss Federal Council declares again that it wholly condemns these criminal acts and greatly regrets their occurrence. In addition to this, the Federal Council will be ready, in a spirit of conciliation, as soon as negotiations will start between the governments of the Soviet Union and Switzerland concerning all the questions that still remain to be settled between the two countries, to extend financial assistance to the daughter of Mr. Vorovsky, the details of which are to be discussed simultaneously with the other questions.

"Both Governments hereby declare that the conflict existing between the two countries is settled, and the mutually restricting measures abrogated."

### Soviet-Afghan Neutrality and Mutual Non-Aggression Pact Ratified

The Soviet-Afghan Neutrality and Mutual Non-Aggression Pact which was signed on August 31, 1926, was ratified on April 10, 1927.

### American Society for Cultural Relations with U. S. S. R.

Announcement was made recently of the formation of The American Society for Cultural Relations with Russia, with a distinguished list of American directors. The object of the society is to bring together those Americans who are interested in Russian life and contemporary culture, and to collect and diffuse in the United States and the U. S. S. R. developments in science, education, philosophy, art, music and drama in both countries. The society also plans an exchange of students and professors, as well as scientists, artists and scholars as a practical means of promoting cultural relations between the two countries.

The first meeting of the society was held on May 4 at the Administration Building of the Henry Street Settlement, 99 Park Avenue. The principal speakers were Lee Simonson and Kurt Schindler. Mrs. Norman Hapgood presided.

The directors of the society include Dr. John Dewey, Professor Ernest M. Patterson of the University of Pennsylvania, Professor Underhill Moore of Columbia University, President W. A. Neilson of Smith College, Professor Jerome Davis of Yale University, Dr. Stephen P. Duggan, Director of the International Institute of Education, Professor E. A. Ross of the University of Wisconsin, Lee Simonson, Mr. Stokowski, James N. Rosenberg, Edgar Varese, Allen Wardwell and Lillian D. Wald. Dr. Graham Taylor is chairman of the executive committee.

The society has established temporary headquarters at 156 Fifth Avenue. Its activities during the month of May included a joint meeting with the Ethnological Association on May 9, at the American Museum of Natural History. Dr. Waldemar Jochelson, the distinguished Russian physicist, spoke on "The Pre-History and Ethnography of Present-Day Siberia." A joint meeting with the American Physical Society was called for May 23 at Columbia University with Dr. A. Joffe as speaker on "Mechanical and Electrical Strength." The society arranged the Russian exhibit of modern architectural art at the Machine Age Exhibition held in New York during the second part of May.

Similar societies for the promotion of cultural relations with the Soviet Union have already been established in Great Britain, France, Belgium, Germany, Austria, Spain and Japan. The American Society had its inception at a preliminary meeting held at the Town Hall on January 22, 1927. Among the members of the advisory board are the following:

Dr. Haven Emerson, Dr. Howard Liddell, Mrs. J. Borden Harriman, Boardman Robinson, Dr. Carl Alsberg, Dr. Franz Boaz, Philips Bradley, Dr. H. Adolphus Miller, Dr. Harry Ward, Wilbur K. Thomas, Professor Alexander Kaun, Stuart Chase, Susan Kingsbury, Dr. Frank Golder, Jane Addams, Lucy Textor, Clarence Stein, Julia Lathrop, Glenn Frank, William Allen White, Robert Littell, Lucy Wilson.

## Customs Exemptions for Tourists in the U. S. S. R.

THE People's Commissariat for Trade and Commerce of the Soviet Union has notified the Soviet customs authorities that the admission of the baggage of foreign tourists, whose passports are provided with a visa showing that they are tourists, is to be subject to the following regulations:

1. Foreign tourists have the right to take with them without license and free of customs and excise duties, clothing, underwear, and other personal belongings, mentioned in the appended list in quantities indicated in that list.

2. In admitting the personal belongings of tourists, the Customs Houses are to notify the latter that it is forbidden to sell the objects which the passengers were permitted to take in free of duty.

3. On entering the country the tourists are to receive certificates from the Customs House as to the amount of currency carried by them.

Upon receiving money transfers from abroad during their sojourn in the U. S. S. R. the tour-

ists are to be provided by the proper financial institutions with statements concerning the amount of the sums received.

4. On entering the country the attention of the tourists is to be called by the Customs Houses to the fact that on their departure the certificates and statements mentioned under Section 3 must be presented to the Customs House so as to procure the release of currency to be taken across the frontier within the limits of the total of the amounts indicated in those documents.

NOTE: Soviet currency and documents drawn up in that currency are not to be included in the currency amounts with reference to which the right of re-export applies.

5. As regards furs, tourists are allowed to take with them out of the country fur articles bought in Government stores, an export permit on the part of the People's Commissariat for Trade not being necessary, provided the tourists submit the bills of those stores to the Customs House; such articles as were taken out in quantities exceeding the export standard established for tourists being subject to customs duties on the basis of the general regulations.

6. Handicraft products (including stuffed animal dolls) bought by tourists in the U. S. S. R. can be taken out of the country without obstacle, provided they do not represent objects of historical or artistic value, or do not belong to the class of currency values.

## List of Used Articles Admitted from Abroad

The following is the list of used articles which tourists can take with them in entering the U. S. S. R.:

Name of article	Per man	Per woman
Upper garments (including not more than one fur coat)	4 articles	4 articles
Head gear (including not more than one fur cap)	4 "	4 "
Muffs		2 pieces
Fur scarfs		2 "
Shoes	3 pairs	3 pairs
House slippers	2 "	2 "
Men's suits	2	
Ladies' suits or dresses		4
Upper jackets		6
Night jackets		6
Skirts		6
Underwear	12 sets	12 sets
Towels	12 pieces	12 pieces
Socks and stockings	12 pairs	12 pairs
Handkerchiefs	18 pieces	18 pieces
Kerchiefs (chiffon, etc.)		3 "
Men's shirts	9 pieces	
Collars	18 "	
Cuffs	12 pairs	
Neckties	6 pieces	12 pieces
Bed linen	6 sets	6 sets

Pillows .....	3 pieces	3 pieces
Plaids or blankets .....	3 "	3 "
Men's undershirts .....	6 "	.....
Women's sweaters and knick- ers .....	.....	6
Gloves .....	3 pairs	3 pairs
Rubbers and galoshes .....	2 "	2 "
Umbrellas .....	2 pieces	2 pieces
Canes .....	2 "	2 "
Tobacco .....	1 kilogr.	.....
(or cigarettes instead of tobacco) .....	500 pieces	500 pieces
(or cigars instead of cigar- ettes and tobacco) .....	100 "	100 "
Ladies' leather pocketbooks .....	.....	2 "
Eau de Cologne (unsealed) .....	1 bottle	1 bottle
Perfumes (in unsealed con- tainers) .....	1 "	1 "
Toilet soap (unpacked) .....	3 pieces	3 pieces
Face powder .....	.....	1 box
Shaving set .....	1 set	1 set
Toilet requisites (combs, brushes, dressing cases): Total weight not over 5 kg.		

Children's garments: 6 sets per child.

Gold, silver, platinum articles per person: (a) watch with chain and fob—1; (b) cigar cases and snuff boxes—1 each; (c) purses (silver only)—1; (d) wedding rings—not more than 2; (e) rings, with or without stones—not more than 2; (f) bracelets and brooches—1 of each; (g) ear-rings—1 pair; (h) necktie pins—1; (i) shirt front studs—4; (j) crosses and medallions—not more than 2 with chain; (k) locket, gold or platinum—1; (l) clasps—1; (m) rims, pince-nez, eye-glasses and lorgnettes—not more than 2 of each; (n) knives, forks, spoons, glass-holders—1 of each.

Note: Various toilet requisites, as well as canes, in a quantity necessary during the journey, ornamented with precious metals, may be included in the luggage. Valises, suit cases, trunks, boxes, etc., containing the belongings carried by the passenger—as many as are necessary.

Note: Under the guise of valises, suit cases and other containers used for carrying the passenger's belongings, there are not to be admitted free of duty boxes with articles placed there only for show.

## Book Reviews

"SOVIET VERSUS CIVILIZATION," by Augur. D. Appleton and Company.

This book was originally published in England. Its jacket conveys the information that the author, who hides his identity under a Ku-Klux sheet, is a Russian emigre. It is the sort of volume to expect from such a source, its sole aim being, by a series of provocative pictures, to stir up foreign hatred against the people of the Soviet Union and their Government. Indirectly it is an appeal for an armed invasion of the Soviet Union, with alluring hints thrown out as to valuable acquisitions of real estate to be divided by the invaders. With the Soviet Government out of the way, he intimates, there would be a return to the conditions of the jolly pre-war days when the world East of the Urals "was a cake for the White

Race to divide and to enjoy as it pleased." This is pretty coarse stuff, but such is the mentality of Tsarist imperialism. The volume is a hymn of hate which grossly over-reaches itself.

"FROM SERFDOM TO BOLSHEVISM," by Baron N. Wrangel. J. B. Lippincott.

This book consists of the memoirs of a dull-witted old man. After a prelude of genealogical exhibitionism the earlier chapters are devoted to the author's associations with princes, generals and other exalted figures. Of the Revolution, the author says: "It was a monstrosity born of Stupidity and Chance. And it ended, as it was bound to end, in a general mess-up." The crowning infamy was when some of the Baron's personal friends were compelled to shovel snow off their sidewalks by the authorities of Leningrad. The revolution, according to the Baron, was wholly a German-made affair. The Kaiser, he assures his readers, gave Lenin and his associates \$60,000,000 to take over Russia. In fact, for Baron Wrangel, there seemed to be only one redeeming feature in that troubled time. That was an incident in which a friend of his, a Tsarist officer, "hanged twelve Bolsheviks" with his own hands. The officer was much amused over this task, because the last of his victims looked so grotesque while strangling to death. Baron Wrangel also gets much amusement over describing the affair in sadistic detail. He is also amused by invariably referring to the Soviet Government as "Israel." He recommends a sort of world-wide pogrom as compensation for the Revolution. It will be recalled that his son, who was for a period commander-in-chief of the effort to restore Tsarism, did a thriving business in pogroms in his territory until the peasants chased him into the Black Sea.

In one respect only is the book remarkable. The author, according to the legend on the paper cover, died in 1920. According to a foot-note on page 310 that section of the book was written in 1922. It would be interesting to discover how this stupid, humorless old man contrived to complete his memoirs two years after his death.

### PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU

The Agrarian Revolution in Russia.....	25c
The Financial Policies of Russia.....	25c
New Constitution of the Soviet Union.....	15c
Patent Law of the U.S.S.R.....	15c
Commercial Handbook of the U.S.S.R. for 1927..	30c

## Miscellaneous News

### The New Administration of the U. S. S. R.

The Central Executive Committee of the U. S. S. R. consisting of 450 members, which was elected by the Fourth Soviet Congress of the U. S. S. R. in the latter part of April, 1927, formed a Presidium of 27 members and from among the latter, reelected the six Chairmen of the Union Central Executive Committee who have been holding that office since 1925. The Chairmen re-elected whose office corresponds to that of highest executive in other countries are: M. I. Kalinin, G. I. Petrovsky, A. G. Cherviakov, G. Mussabekov, F. Khodjayev, and N. Aitakov. All the members of the Council of People's Commissars, who had been in office prior to the convocation of the Soviet Congress, were likewise reappointed. The following are the members of the Federal Council of People's Commissars:

Chairman: A. I. Rykov.

Vice-Chairmen: A. D. Tsiurupa, J. E. Rudzutak and G. K. Ordjonikidze.

People's Commissar for Foreign Affairs: G. V. Tchitcherin.

People's Commissar for Army and Navy: K. E. Voroshilov.

People's Commissar for Transport: J. E. Rudzutak.

People's Commissar for Posts and Telegraphs: I. N. Smirnov.

People's Commissar for Workers' and Peasants' Inspection: G. K. Ordjonikidze.

Chairman Supreme Economic Council: V. V. Kuybyshev.

People's Commissar for Labor: V. V. Schmidt.

People's Commissar for Foreign and Domestic Trade: A. I. Mikoyan.

People's Commissar for Finances: N. P. Briukhanov.

Director of Central Statistical Administration: V. V. Ossinsky-Obolensky.

### Appeal of Soviet Scientists in Behalf of the White-Russians in Poland

Early in 1927 the Second All-Union Congress of Scientific Workers of the U. S. S. R. issued an appeal to the scientists of the whole world in behalf of the oppressed White-Russian minority in Poland. The White Russians are a Slavic people, closely akin to the Great-Russians (i. e. Russians proper), living partly in the north-western section of the Soviet Union (White-Russian Soviet Republic) and partly in the northeastern section of Poland. The appeal reads as follows:

"The Second All-Union Congress of Scientific Workers, representing 14,000 scientists, academicians, professors, university teachers, members of the scientific research institutes of Moscow,

Leningrad, Kharkov, Kiev, Odessa, Tomsk, Tashkent, Simferopol, Kazan, Saratov, Dniepropetrovsk (Ekaterinoslav), Erivan and other cities in the Soviet Union, raises its voice in protest against the persecution inflicted by the Polish Government on the White-Russian people who are struggling against social and national oppression now rampant in Poland.

"This policy of national persecution ought to rouse still greater indignation, because the victorious Revolution did away with Tsarist oppression of national minorities and secured independence to Poland, as well as in view of the fact that the policy of national oppression of the White-Russians, Ukrainians, and other national minorities in Poland is a revival of the very methods used by Tsarism in the endeavor to crush the Polish people.

"The Congress expresses confidence that whatever the measures of oppression, they will not be able to stem the development of the White-Russian working masses, and calls upon the scientists of all countries to unite in protest against the persecution of that section of the White-Russian people, which the imperialist corridor has separated from the White Russian Republic now enjoying liberty as a constituent part of the Soviet Union."

### Soviet Bureau of Agricultural Information

The Soviet Bureau of Agricultural Information, which aims to serve as a clearing house for information on agricultural conditions and developments in the United States and the Soviet Union, has opened offices at 136 Liberty Street, New York. The Bureau is in charge of Professor I. A. Mirtoff, formerly Dean of the Moscow Land Surveying Institute and Director of the Institute for Farm Improvements and Colonization.

"One of the chief tasks of the Bureau will be to maintain contact with the scientific agricultural bodies in the United States", said Professor Mirtoff, "and in particular with your experiment stations, established by both the Federal and State Governments, which are doing such notable work. I expect to make a tour of some of the agricultural experiment stations.

"Reciprocally the Bureau will keep American agricultural interests informed on Soviet agriculture and the new experiments on seeds, etc., being conducted in the Soviet Union.

"An area of 225,000,000 acres was planted to grain in the Soviet Union last year, exceeding the pre-war acreage by nearly 10,000,000 acres. There are now nearly 30,000 tractors, most of them of American manufacture, employed on our farms,

as compared with about 1,500 three years ago. Crop rotation is being introduced and better grain standards enforced. Outlying districts are being colonized according to a systematic plan.

"In short, agriculture in the Soviet Union is passing through a transition period towards a greater intensification and higher standards. There are many difficulties, due to primitive methods and ideas, which the Soviet Government and our scientific bodies are striving to surmount."

#### **Arrangement with American Firms for Construction of Soviet Glass Plant**

F. A. Rataichak, president of the Porcelain and Glass Trust of the Ukraine, has left the United States after a stay of over a month, in the course of which arrangements were made with American firms regarding the construction of a \$3,000,000 glass plant at Kiev, in the Ukraine. J. B. Seldes, another member of the Glass Trust delegation, sailed with Mr. Rataichak, while F. S. Kariagin was left behind to complete the arrangements.

"An American firm has been asked to prepare plans for the equipment of the Kiev plant," said Mr. Rataichak. "Your production methods, which we had a chance to study in 30 plants through the courtesy of leading firms in the glass and ceramic industries, command the highest admiration."

The equipment of the Kiev plant will cost over \$2,600,000, of which equipment valued at \$1,200,000 will be purchased from American firms with deliveries beginning next July. The Kiev plant will have an output of 22,000 metric tons of assorted glass per year.

Production of glass in the Soviet Union fell to less than 4 per cent of pre-war in 1920. At present the output is higher than pre-war. The industry increased its output 60 per cent last year, and a further increase of 30 per cent is expected during 1927.

#### **Representatives of Soviet Rubber Trust in U. S. A.**

The arrival of a delegation from the Rubber Trust of the Soviet Union to study the American rubber industry was announced recently by the Amtorg Trading Corporation of New York. The members of the delegation are V. A. Pokrovsky and P. S. Zacharov.

"The American rubber industry, which we hope to study closely, has much to teach the Soviet Union in production methods," said Mr. Pokrovsky. "We expect to consult the best American authorities in regard to the modernization of our industry. We are particularly interested in American machinery. There is no doubt that with the installation of new equipment the existing plants in the Soviet Union can double their output."

Two of the five big rubber plants operated in Russia before the war were lost as a result of

territorial changes after the conflict. The three remaining plants have now been brought back to the pre-war rate of production. The output last year included 27,000,000 pairs of rubbers and tires valued at \$5,000,000. The output for the year increased 30 per cent over that of 1925. Last year the Trust used 7,000 metric tons of crude rubber and 9,000 tons will be imported this year.

#### **Foreign Trade of the U. S. S. R.**

The foreign trade turnover of the Soviet Union, European frontiers only, for the first half of the current Soviet fiscal year, was \$318,785,000, with a favorable balance of \$62,521,000 for the period. Exports amounted to \$190,653,000 and imports to \$128,132,000. Exports increased 20 per cent as compared with the same period last year while imports decreased 34 per cent. The Soviet fiscal year begins October 1.

Every month of the half-year showed a favorable trade balance, the balance for March being \$8,703,500 as compared with \$5,768,000 in February. The trade turnover for March was \$50,418,500, as compared with \$58,916,000 in March, 1926, a decrease of 14.4 per cent.

#### **Soviet Oil Industry**

Oil production and oil exports of the Soviet Union for the first six months of the current fiscal year (October 1 to March 31) set a new high record. Production was 4,925,390 metric tons, which is 30 per cent greater than the same period of last year and 7 per cent greater than the half-year's production of 1913.

Exports of 887,800 metric tons surpassed those of the same period of last year by 43 per cent. They were nearly equal to the exports for the entire year 1913, which were 914,032 metric tons. At the present rate of progress it is predicted that Soviet oil exports for the entire current year will be double those of 1913.

#### **Soviet Metal Industry**

The Soviet metal industry for the first six months of the current Soviet fiscal year (October 1 to March 31) shows marked gains. The output of pig iron was 1,452,207 metric tons, an increase of 43.4 per cent as compared with the same period of last year. The output of steel was 1,771,630 metric tons, an increase of 29.3 per cent, and of rolled iron 1,365,793 metric tons, an increase of 12.1 per cent.

Production in the industry for the six months' period was 77 per cent of the output for six months of 1913.

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# SOVIET UNION REVIEW

Fifteen Cents

July-August, 1927

Vol. V. Nos. 7-8

## Rykov's Speech on Anglo-Soviet Rupture Litvinov's Last Note to England Soviet Delegation at Economic Conference Amendments to Soviet Constitution Soviet Trade, Industries and Finances Prospects of Soviet-American Trade

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
Mr. Rykov on British-Soviet Rupture:		Foreign Trade of the U. S. S. R.:	
A Policy of War vs. a Policy of Peace.....	106	Exports and Imports for First Six Months .....	121
The Rupture and the "Lost Document".....	106	Foreign Trade for April .....	121
Intervention—Ultimatum—Rupture .....	107	Mr. Bron on Soviet-American Trade.....	121
Facts and Documents Concerning Espion- age .....	109	Soviet Industries:	
International Significance of Rupture and Menace of War .....	112	Soviet Industries in April .....	122
After the Rupture:		Soviet Coal Industry .....	122
Litvinov's Last Note to England.....	114	Soviet Oil Industry .....	122
Instructions to Employees of Soviet Em- bassy and Trade Delegation in England..	114	Soviet Finances:	
German Embassy to Protect Soviet Inter- ests in England .....	115	Statement of State Bank of U. S. S. R.....	122
Litvinov's Note on Voikov's Assassination..	115	New Internal Loans .....	122
Soviet-Latvian Trade Agreement .....	116	Miscellaneous News	
International Economic Conference:		The Assassination of the Soviet Envoy in Warsaw .....	123
Mr. Sokolnikov's Speech .....	116	Delegation of Soviet Agricultural Scientists in U. S. A. ....	123
Concrete Proposals of the Soviet Delega- tion .....	117	Irrigation of Soviet Cotton Area .....	123
Amendments to the Constitution of U. S. S. R.:		Connection of White and Caspian Seas.....	123
Changes Adopted at Fourth Soviet Con- gress, April, 1927 .....	118	Waterway from Siberia to Europe.....	124
Changes Adopted in 1924 and 1925 .....	120	American Mining Engineers in U. S. S. R.....	124
		American Equipment for Soviet Industries.....	124
		The Dnieper Power Plant .....	124
		Changes in Soviet Diplomatic Service.....	124

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## Mr. Rykov on British-Soviet Rupture

AT the plenary session of the Moscow Soviet, held on June 1, 1927, Mr. A. Rykov, Chairman of the Council of People's Commissars of the Soviet Union, delivered the following speech in which he presented the Soviet Government's position with regard to England's action in breaking off diplomatic relations with the U. S. S. R.:

At the recent All-Union Congress of Soviets I made a detailed report about the foreign policy of the Soviet Government. The resolution adopted by the Fourth All-Union Soviet Congress, instructed the Government "to be prepared to repulse all new attempts at provoking the U. S. S. R. to a war with whomsoever it may be, and to do all that lies in its power to avert war." In the same resolution the All-Union Soviet Congress emphasized the tense and alarming situation obtaining in the field of foreign relations. Since that time only two months have passed and upon the initiative of the British Government, we are confronted with the fact of the rupture of commercial and diplomatic relations between the two largest countries of Europe, i. e., the Soviet Union and Great Britain.

This event constitutes at present the central point of international politics. The diplomatic rupture between England and the U. S. S. R. involves of course not only the relations of these two countries; it inevitably affects also the vital interests of a number of other countries. The extraordinary tension of the political situation not only of Europe but of the whole world, depends to a considerable extent upon the relations obtaining between England and the U. S. S. R. It is obvious that in case of an armed clash the conflict could not be localized if only for the reason that, first, Great Britain has no army of her own with which it could attack the U. S. S. R., and, second, because in keeping with the traditions of British diplomacy, she has been waging, and will continue to wage her wars not with her own manpower but with that of other countries. This last circumstance may, by the way, explain why the English statesmen have begun to lay particular emphasis upon those false documents and "addresses" in which countries other than Great Britain are mentioned.

### The Rupture and the "Lost Document"

England is ruled at present by the Conservative Cabinet of the "die-hards," the general staff of in-

ternational reaction. They did not venture all at once upon the step they took a few days ago. As you know, in February of the current year, we received the so-called "note of warning" signed by Chamberlain, in which, for instance, the latter "complained" of the "bad" way in which "Pravda," the Central organ of the All-Union Communist Party, is being edited by Bukharin. But even Chamberlain, in connection with this note, emphasized the "untimeliness" of a rupture between England and the U. S. S. R. The English Government required two months after that before it could find that the rupture was "timely" and make its raid upon Arcos. Has anything happened in the meantime that was capable of changing the attitude of the English Government? In spite of the fact that this question has been put bluntly in England as well, no answer was given. From this it may be inferred that the rupture effected by England was the organical, natural result of a plan embodying a definite policy. This renders the farcical raid upon Arcos perfectly comprehensible. The Conservative Government needed it as an external justification for a new anti-Soviet aggression in the eyes of the entire bourgeois world. For this purpose the Conservative Government attempted to "find" among the commercial documents and the accounting books in the Arcos Company's safes, a document which had "disappeared" from some British Government department. The raid was motivated by the necessity of finding that mysterious document, but any reasonable person would say that to search for this mythical document concerning some British military preparations among the accounting books of Arcos is sheer stupidity.

I declare that we had absolutely no knowledge of any document of this kind. At any rate I think that if a document of this kind should ever fall into the hands of a man who sympathizes with the U. S. S. R. he would never bring it to Arcos. I think that such experienced politicians as the English Ministers also understand this quite well. All the circumstances of the search clearly point to the fact that they were not looking for any definite document, but were trying to find some pretext for "justifying" the rupture with the Soviet Union. Therefore, the most efficient application of all achievements of world science and technique was made to carry out this search. As you know, electrical drills were put

into action, which within a very short time made holes in concrete walls, safes were broken open, etc., etc. To express myself in legal language, a burglary was committed. According to our agreement with England we have the right to use our cipher code. This cipher code was seized. Let us assume for a moment that they were really searching for that mysterious document. Why then, in that case, did they need our cipher code? Do the English write their documents in the Soviet cipher code? They took away the personal correspondence of Mr. Khinchuk, the Soviet Trade Delegate, they seized the mail that had just arrived from Moscow and committed a number of actions which were altogether unprecedented in the history of diplomatic relations, and which can be explained only by the desire by all means to provoke a rupture between the two countries. No documents belonging to Arcos or to any Government organization, which could in any way compromise these organizations or the Government, were found within the walls of Arcos. The English Ministers made reference to some documents or letters which were found in the pockets of two Arcos employees. Now, it is obvious that neither the Government of the Soviet Union nor Arcos can be made answerable for what was found in, or what was put into, the pockets of those employees. The private correspondence of these employees is their own affair which has nothing to do with the Soviet Government and its activities.

#### Intervention—Ultimatum—Rupture

Due to this quite extraordinary failure of this absolutely unheard-of bandit raid upon our Trade Delegation and Arcos, the Government of Great Britain was forced to look for other arguments. In trying to justify the expediency of this step taken by Great Britain, Chamberlain presented to the House of Commons the history of Anglo-Soviet relations. I must declare that he did not begin the history from the point where it should have been started.

I will permit myself to dwell upon the history of these relations. I believe the presentation of this history should start with the exposition of what the British Government has done to the U. S. S. R. since the November Revolution of 1917. It is well known that the "relations" between England and the Soviets began with the intervention of English armies on the territory of the Union and with the enormous financial and military assistance which the English Government was giving to the armies of Kolchak, Denikin, Yudenich and other counter-revolutionary generals. This had cost England over a billion gold rubles. Another aspect of this policy was the organization of conspiracies within the Soviet Union for the struggle against the Soviet Government and the overthrow of the revolutionary sys-

tem established in our country. Everybody still remembers the affair of Mr. Lockhart, the diplomatic representative of Great Britain in our country, who in 1918 was caught redhanded and was proven to have been at the head of one of the biggest conspiracies on Soviet territory directed against the Soviet Government, having financed and organized that conspiracy. Lockhart was caught redhanded and delivered to the judicial authorities before whom it was proven beyond doubt that the British representative was the organizer of that conspiracy. Nevertheless we did not shoot Lockhart, and confined ourselves solely to his expulsion from our country. As it is possible that also some British Ministers will become acquainted with my speech, I would like them to understand that cases of a forbearing attitude of this kind with regard to organizers of conspiracies on our territory will not always be repeated in the history of the Soviet Union. According to our laws shooting is the penalty due for such actions. We are in possession of trustworthy evidence proving that the British Government, through its agents, was financing a number of attempts to call forth a movement against the Soviet Government on the territory of the Soviet Union.

After the complete failure of this policy of intervention and conspiracies, the British Government was faced by the necessity of concluding with us the Trade Agreement of 1921. But in spite of the fact that since that time, it would seem, somewhat normal relations should have been established, the entire subsequent history of our relations with England was marked by the continuous endeavors on the part of the British Government to break off these relations by means of notes or memorandums.

I have in mind, for instance, the memorandum delivered to us in 1921 upon orders from Lord Curzon, in which the Soviet Government was accused of violating the Trade Agreement. The Soviet Government replied through a note of Mr. Litvinov, offering documentary proof that the memorandum was based upon forged documents, the sources of these documents being exactly indicated. It turned out that the publication of these documents was organized by the White Guard émigrés in Berlin, whose exact address had been established, and the facsimiles of the communications which formed the basis of that memorandum were reproduced. From a policy of wars and conspiracies the Government of Great Britain, in issuing that memorandum, had gone over to a policy based upon the use of forged documents fabricated by White Guardists.

The second diplomatic complication took place in 1923 after the settlement of the differences with Great Britain concerning the fishery rights of British trawlers in Soviet waters, and the ques-

tion of paying compensation for the execution of an English spy on the territory of the U. S. S. R. (Lord Curzon was sincerely convinced that we were obliged to pay compensation for executed English spies.)

At that time he again brought forward the baseless accusation that we violated the Trade Agreement, accompanying it by an ultimatum. In order to avert in the future the possibility of useless controversies concerning general unfounded accusations which could neither be proved nor refuted, an understanding was arrived at between the U. S. S. R. and Great Britain according to which both Governments engaged themselves "to bring to each other's cognizance, separately, every violation of the Agreement, and not to allow such causes for complaint to accumulate." In spite of the fact that this understanding dates back as far as 1923, the British Government knowingly and systematically sabotaged that engagement, apparently preferring unfounded general accusations to exact, concrete statements intended to settle particular misunderstandings. Curzon's ultimatum met with the proper appreciation among the masses of workers and peasants of the U. S. S. R. Feeling that there was something wrong in the attitude of Great Britain and in its notes and ultimatums addressed to the Soviet Union, the workers and peasants replied by a gigantic campaign for the strengthening of the national defense of the U. S. S. R. Upon the initiative of the masses of the people air squadrons were created at that time, and were quite fittingly named "Reply to the Ultimatum."

After an interval of one year and a half we had a new diversion on the part of the English Government at the time when it was preparing for intervention in China. The Conservatives deemed it necessary to send us a note of warning, accusing us of anti-British machinations by Soviet agents in China. For the purpose of confirming this accusation, the raid upon the dwellings of the employees of the Soviet Embassy in Peking was organized with the knowledge and encouragement, and probably also upon the initiative of the British Government. The material published after that raid has shown quite obviously how indiscriminately the organizers of the raid are using crude forgeries concocted by Russian White Guards, and how they endeavor to make use of them for their accusations.

And now we are faced by the latest occurrence—the raid upon Arcos and the Trade Delegation. The British Government has taken this step exclusively for the purpose of creating at least an external justification of the break with the U. S. S. R., decided upon in advance.

The raid upon Arcos and the decision of the British Government to break off diplomatic rela-

tions with the U. S. S. R. took place exactly at the moment when the so-called International Economic Conference was in session at Geneva. At that conference Lord Balfour, Chairman of the British Delegation, in the name of the latter, pointed out the necessity of a peaceful economic collaboration of the other countries, and particularly of England, with the U. S. S. R. The resolutions of that Conference include a unanimously adopted paragraph which recognizes the necessity of developing economic relations between the capitalist countries and the Soviet Union on the basis of recognition of both systems—of our Soviet socialist system and of the capitalist system. A breaking off of relations exactly at that moment is to signify, apparently, that the British Government disavows the statement of Lord Balfour, Chairman of the British Delegation at the International Economic Conference, and that it does not consider it possible to tolerate such a peaceful collaboration between the U. S. S. R. and England. Chamberlain, the guiding spirit of the League of Nations, in bringing about the rupture, is attempting to reverse the unanimously adopted resolution of the Economic Conference called by the League of Nations.

The rupture occurred at the moment when in England itself loomed up the possibility of extending trade relations by means of financing Soviet orders given to British industry.

At the present time the British Government has resorted to accusations and to a violation of the Trade Agreement for the purpose of justifying the rupture. All the circumstances preceding this event are being discussed at present in the House of Commons and in the press, but neither the declaration made by the British Government in the parliament, nor the note to Mr. Rosengolz, the Diplomatic Representative of the U. S. S. R., contained any convincing evidence regarding any abuse of diplomatic privileges, except perhaps the embarrassed admission that "the police have not discovered any noticeable delimitation of rooms and functions between the members of the Trade Delegation and the employees of Arcos." The English policemen broke open all safes, smashed concrete walls, made photostat copies of documents and were even writing something on the typewriters of the Soviet institution. An employee of the cipher code department who was not entitled to give the cipher code to anybody, much less to the raiding policemen of another country, was beaten up for carrying out his duty, and the cipher code was seized by force. And all this was being done in search of a lost secret document.

In the House of Commons the British Government presented all these facts in a distorted fashion. The beating up of an employee by four or five policemen is being explained by the fact that

he offered resistance. The burning of a document by an employee, failing other measures to prevent the falling of Government documents into the hands of strangers, is being represented by the British Ministers as a proof of criminal activities.

Yet, during the last few days the British Mission in Moscow was all the time engaged in the burning of documents in the naive and foolish belief that the U. S. S. R. must likewise have its own Hicks who would issue an order for a search accompanied by burglary.

All the circumstances of the search of Arcos and of the Trade Delegation point to the fact that the lost document story was simply comedy, that they were not looking for any secret English document, and that the raid was carried out in the hope of finding something that would compromise the U. S. S. R.

The search was begun without the production of a warrant and was rather of the nature of a looting military attack than of a search carried out by official authorities in a building situated in the capital of the country. The majority of European papers characterize the search as a Pinkerton cinema production, not as a possible cause of rupture between two great countries.

#### Facts and Documents Concerning Espionage

The senselessness of all the statements made by Baldwin and Chamberlain appears from their contradictions. In the speeches and in the note it is being pointed out that the British Government, through its informers, was apprised of the anti-British activities of some widely ramified Soviet organization. Hicks declared in the House of Commons that he was not only in possession of detailed information concerning that organization and its activities, but that he also possessed exact addresses of those persons who are engaged in that activity. It is hard to understand for what reasons the British Government, being aware of the existence of that organization and of all persons that take part in it, has not undertaken anything with regard to them. If anything of the kind would have happened in our country, on the territory of the Soviet Union, if the Commissar for Internal Affairs or the Chairman of the Joint State Political Department (OGPU) would have told me, as the Chairman of the Council of People's Commissars, that they are cognizant of the activities of a spying organization and that they are not taking any steps against it, I would immediately take up the question of indicting such a Commissar or Chairman of the State Political Department.

I believe there is a law in England as well, according to which Cabinet Ministers who are not carrying out their duties are to be impeached. And if Mr. Hicks, for some reason or other, did

not undertake anything against such an enormous spying organization in spite of the fact that he knew the addresses; if he didn't arrest any member of that organization, and the British Premier Baldwin didn't call Hicks to account for this, then all this happened because he didn't have any addresses and because all his espionage stories are simply an invention.

The statements of Mr. Hicks, that specialist in espionage matters, present another curious aspect. He declares that from time to time he had an opportunity to discover various espionage organizations of other countries (not those of the Soviet Union were meant, of course), that he was aware that from time to time England's neighbors were sending agents to his country, entrusting them with the task of obtaining some information or other concerning secret war preparations and the manufacture of ammunition. This statement, aside from the naive complaints of Mr. Hicks, presents the following points of interest: First, not in a single case of this kind did the Conservative Government consider it feasible not only to break off relations on this account, but even to write notes to any other country; second, that the British Government is assiduously preparing for war and increasing the output of ammunition accordingly. The main thing that transpires from this statement of Mr. Hicks is that the British Government maintains in a great number of countries a considerable staff of agents for this equally "honorable" and friendly activity with regard to her neighbors.

One of the members of the conservative party by the name of Davison asked Baldwin "whether it was not an unprecedented case that the representative of a foreign country should conspire against the government to which he is accredited." Baldwin didn't give any answer to this query. But I believe that the member of parliament who asked this question is a perfectly unprecedented fool if he does not understand that there is no such bourgeois government in the world, which, while maintaining diplomatic relations with another country, does not conspire against it and, moreover, does not prepare an army for attacking its neighbor. Only a short while ago the same Davison voted in the House of Commons for the increase of the navy. Does this Mr. Davison think that the strengthening of the navy is a friendly act with regard to England's neighbors? And it is exactly because the "friendship" is being accompanied by the increase of fighting units, because the capitalist governments are outdistancing each other in armaments and war preparations, that they are forced to conspire against each other, that they set up various spying organizations and steal from the secret archives everything that can be stolen, as

well as everything that, upon first glance, one might think, could not be stolen.

As regards the Soviet Union, we are in possession of sufficient data concerning spying activities of British agents on the territory of our Union. I have now before me a few documents that are quite interesting. We have been in their possession for quite a while, but we have not made any fuss about them. It would be naive on our part to expect that a government in which such honorable gentlemen as Churchill, Birkenhead, Chamberlain and others take part, should indulge only in polite conversation.

I am going to read to you the end of a letter from Mr. Preston, the British Consul in Leningrad, which was addressed by him to the British Commercial Mission in Moscow. He writes: "It is no easy matter for me to obtain information of the nature you require as my Russian birds whom I send on jobs of this sort, run serious risk of being hanged and quartered by the G. P. U. for espionage."

Here is a photograph of that letter. It contains the genuine signature of Mr. Preston and is dated April 22, 1924. Naturally, Mr. Preston is perfectly right when he fears that the State Political Department (GPU) will show no mercy

#### *Facsimile of Letter of British Consul*

British Commercial Mission,

9/317

L E N I N G R A D.

April 22nd, 1924.

Dear Jerran,

I presume it is you whose hieroglyph appears as acting on behalf of Petura in a letter dated April 7th. I will try and find out about your "Diagno". Meanwhile please search your economic brain or, failing this, the brains of the galaxy of economic talent at the Mission and tell me what is the meaning of the expression "fine chemicals" about which Reymtiner - I am sure he does not know the meaning himself - has asked me to report.

It is no easy matter for me to obtain information of the nature you require as my Russian birds, whom I send on jobs of this sort, run serious risk

(10)

Cecil Bertram Jerran, Esq.,  
British Mission,  
M O S C O W.

of being hanged and quartered by the G.P.U.  
for espionage.

Yours ever,



to his "Russian birds" for carrying out Preston's orders. Recently an English spy by the name of Filin was shot. He had been working under the orders of Mr. Charnock, secretary of the British Mission, keeping the latter informed of the condition of the troops of the Moscow military district. Recently the Kolchak officer Peshkov was arrested—he was a British Government spy, working directly under the orders of Mr. Hodgson, Diplomatic Representative of Great Britain in Moscow. There are about eleven British spies for whom the British Government had the courage to intercede, and in addition there are quite an unlimited number of persons in whose favor the representative of Great Britain considered it more convenient not to intercede. All these facts are by no means new. We knew of them before, but did not think that they might be used as a cause for rupture.

The British Government could not quote a single fact of this kind and confined itself to empty talk without proofs.

We are also in possession of facts of another kind, characterizing the activity of the British Government with regard to the U. S. S. R. from a somewhat different angle. I have on hand an entire file of documents referring to the counter-revolutionary spying activities of British agents in the Ukraine and in Transcaucasia. I am going to read to you some of them.

Here is for instance a document published in the paper "Der Abend," which refers to the correspondence with the Petlura \* "government" (Petlura having been killed, his place is being occupied by Levitzky, the so-called "Chairman of the Directorium of the Ukrainian People's Republic"). The document reads:

"From our conversation with the Ambassador and his secretary at our meeting in the British Embassy, I and V. K. Prokopovich gained the impression that in its struggle against Moscow communism the English Government is guided by considerations of principle and that it will not give up its attitude until the liquidation of Moscow communism. England considers that the liquidation of the Moscow-Bolshevik power is to be achieved by various means, by financial economic pressure, by the nationalist political struggle, and the weakening of the prestige and the influence of its authority within the U. S. S. R.; further by the refusal of foreign credits, thereby weakening its financial position abroad; by an economic blockade; only after such an essential preparation will it be possible to ascertain to what extent an intervention on the part of the

\* Ukrainian counter-revolutionary leader, Pilsudski's ally in the Polish war against the Soviet Republic in 1920. The "Directorium of the Ukrainian People's Republic" is the name of a committee of Ukrainian counter-revolutionary émigrés.

western countries will be necessary." Signature: "Minister of Foreign Affairs of the Ukrainian People's Republic—Tokarzhevsky." January 18, 1926.

Here is another document from the same correspondence: "... The British Government wants the general staff of the army of the Ukrainian People's Republic to send its delegate to London for the practical solution of the military problems of the army of the Ukrainian People's Republic. This is an extremely important and urgent matter and for this reason it is necessary to find immediately a military person, if possible of general's rank. On his way to London the appointed delegate is to stop in Paris for information. It is interesting that the English are now also insisting upon the army of the Ukrainian People's Republic being created out of insurgents' detachments on the very territory of the Ukraine." February 2, 1927.

The following document was part of the same correspondence: "We are at present receiving financial assistance amounting to 1,000 pounds sterling monthly; assistance to our émigrés and support for the cause of anti-Bolshevik propaganda is in prospect. The English are convinced that only then will we be able to start active operations in the Ukraine, when England and her allies will be properly prepared for that action and that the proper moment is needed for this." Signature—July 23, 1926.

Another document: "... the British military circles are mostly interested in the question of our forces, which the government of the Ukrainian People's Republic has at its disposal in the Ukraine. They wish the Government of the Ukrainian People's Republic to concentrate all its activities in the south of the Ukraine and to create a base for operations in that region. ... England will support only a base for guerilla operations in the Ukraine."

From the following document it appears that: "... prior to the establishment of order in the Far East and to the liquidation of Bolshevik influence in China—there is no hope for British intervention in the Ukraine." Signature—December 7, 1926.

In this connection I am going to quote a document which was obtained not from foreign papers and which says: "... according to my information negotiations are going on between the Skoropadsky \* organization and the British agent Sablin. In London Sablin connected adherents of the Hetman Skoropadsky (Shemet) with representa-

tives of the British Government. Shemet had a conversation with Churchill and the latter declared to Shemet that England would support Skoropadsky if the latter would accord his activities with those of Nikolai Nikolaievich (Grand Duke Nicholas). The adherents of the Hetman agreed ... " Signature—Pasichnyk (a Colonel of the Petlura forces who was one of the closest collaborators of the same British circles).

As you see, we are dealing here not only with mere espionage, not only with the organization of insurrections within our country, but also with direct attempts to restore the Romanov monarchy on the territory of the U. S. S. R.

All these facts were known to us before. It is quite obvious that as we were dealing with the representatives of the "die-hards," we couldn't expect anything else. But we didn't consider all this as a cause for breaking off diplomatic relations or for sending notes. It never occurred to us to undertake a search prior to the departure of the British Diplomatic Mission and Consulate, although we knew very well that an enormous quantity of espionage material could be found there; these data would have tenfold increased the casual material which I have just quoted as an example.

In our diplomatic relations we were proceeding from the full understanding with whom we were dealing.

We have no doubts whatever about espionage being a direct function of every capitalist government. This was fully admitted by a number of speakers in the House of Commons. Consequently all the arguments of Baldwin and Chamberlain, all their complaints about the existence of espionage organizations do not hold water. Even granting that Chamberlain's statements are based upon genuine materials, it would follow from these statements that he obtained his information by means of British espionage. At any rate, I must declare that the British Government cannot adduce a single case of a citizen of the U. S. S. R. having been arrested on the territory of Great Britain who, acting under the orders of our organs was engaged in espionage and for this offence was condemned by an English court, according to English law.

For the purpose of accusing the U. S. S. R. of interference in the internal affairs of Great Britain, Baldwin and Chamberlain made reference to some telegram supposed to have been sent by Rosengolz, concerning the events in China. The contents of the telegram, as made public in the British parliament, consist in Rosengolz's request for truthful (and not false!) material for the purpose of refuting the distorted information about the events in China and our policy in that country. Rosengolz has already declared that he did

\* Skoropadsky who in 1918 was a tool of German militarists and was set up by them as dictator ("Hetman") of the Ukraine, is now head of a counter-revolutionary organization aiming at the establishment of a hereditary monarchy in the Ukraine, with Skoropadsky as ruler.

not send that telegram; but even if it were assumed that the Rosengolz telegram is genuine, he could in no way be blamed on that account, as he was entitled not to believe the statements of Chamberlain or the "die-hards," and was bound to obtain reliable material for refuting their slanders.

On March 8, 1921, it was stated in the House of Commons that Scotland Yard was knowingly engaged in forgeries, that it had issued a forged number of the Moscow newspaper "Pravda" a copy of the forged issue being produced at the session of the House of Commons.

In his speech in the House of Commons Chamberlain made reference to a document found in the possession of Mr. Dosser, our commercial agent in China. Mr. Chamberlain forgot, however, to mention the fact that even a mixed Anglo-Chinese court in Hongkong refused to believe that the document in question was in any respect genuine or plausible.

Thus a detailed dispassionate analysis of all accusations shows that the British Government could not produce any real arguments for the justification of the rupture.

What I said proves only that even after the conclusion of the trade agreement in 1921 and after the establishment of diplomatic relations under MacDonald, the English Government continued the policy that had found its expression in intervention and in Lockhart's conspiracy. We knew that and nevertheless, we did not see any reason for breaking off relations with the Government of Great Britain.

#### **International Significance of the Rupture and the Menace of War**

At the present time the international situation has become greatly complicated, and an extremely hard blow has been dealt to the policy of peace, for it is not possible that the relations between two countries like Great Britain and the U. S. S. R. should remain indefinite for a long time; the British Government, having determined upon such a step, will be impelled by the logic of events to go further. And Lloyd George was right when he declared that this action was one "of the most risky and hazardous decisions that had ever been taken by a government, and the most important of all decisions since 1914." When Chamberlain, in his note of February 24, 1927, pointed with displeasure to the speeches of our responsible leaders, the procedure seemed quite strange at first glance. Indeed, why should two governments have exchanged notes on account of what was printed in the papers and said in some speeches? We were, therefore, perfectly right when we replied that the Government of the Soviet Union is not a censorship committee which is to examine what was written in the "Pravda" or in any other paper. This should be taken up

with the editorial offices of those papers, but not with the Government of the Soviet Union. But the objective meaning of that note was to use the diplomatic correspondence as world-wide propaganda for the purpose of creating an anti-Soviet block.

Even before the rupture with England it could be observed in a number of cases that the conclusion of some agreement or other, with some Government or other, was being delayed and that negotiations would often not come to a successful termination due to secret or open pressure on the part of England. At the present time every government is with particular sharpness being faced by the problem of making its "choice." Great Britain has, of course, many resources for exerting pressure upon a number of countries. With the help of this rupture the government of Great Britain will attempt to make a further step towards the creation of such an international anti-Soviet block as would make sure an intervention on the territory of the Union. At the beginning of my report I said that it was the tradition of British policy to have other nations fight and lose their lives in war for England. At present the chief task of the British Government will consist in finding the country that would attack the Soviet Union, provided it is supplied by England with financial and other support. Thus the questions of war and of national defense have at present become more timely than at any previous period.

In a speech delivered recently in the House of Commons the British Premier Baldwin declared that the breaking off of official relations does not lead to the breaking off of commercial relations between Great Britain and the U. S. S. R. You are already cognizant of the point of view which was set forth by us on this subject in our notes to the British Government and in a special decision of the Council of People's Commissars. We do not see any possibility of developing trade with Great Britain in the absence of any guarantees that the interests of our trade in Great Britain will be safeguarded. If during the existence of diplomatic and trade relations and of the Agreement of 1921 we had to face a criminal raid and looting of our Trade Delegation, where is the guaranty that the Government of Great Britain having obtained complete liberty of action by terminating the Agreement of 1921 and severing diplomatic relations, will not resort to the seizure of our goods and our funds, and to a number of other acts of violence directed against our trade? A fierce propaganda for the seizure of our goods is already being conducted with the support of the highest spheres, by the various oil concerns, particularly by the Deterding firm. Not until the British Government has radically changed its policy, or given place to another Government with a more reasonable policy, will a development of

trade relations with Great Britain be at all possible. We have stated this in our notes and we will be able to carry out this policy without any considerable prejudice to the economic development of the U. S. S. R.

### The Reply of the Soviet Union

This serious change in the international situation which has been brought about by the rupture, was met by our country without any trace of confusion, with full equanimity and a feeling of confidence in its forces. If the British Government expected, by means of the rupture, to bring about confusion in the ranks of the working masses of the Soviet Union and to disorganize our economic life, it will be cruelly disappointed. This is attested by the countless resolutions adopted in the factories, plants and at the various meetings of the working people. Moreover, this rupture has called forth a tremendous wave of feeling among the working masses of the Soviet Republics in the face of the menace of international complications, and has acted as a new incentive for intensifying the constructive work within the country. In this connection I may quote a characteristic letter which was received from a meeting of workers and office employees:

"We suggest to the Soviet Government that it issue immediately the '24th of May, 1927' Loan (the day on which Baldwin announced the rupture of relations).

"With their own kopecks loaned to their Government the millions of working people will succeed in furnishing a substitute for the dollars and pounds sterling which the English bourgeoisie was lending us until now at an exorbitant rate of interest.

"We have learnt to counter every attack by a still stronger closing of our ranks.

"The economic blockade will be countered by our mass participation in financial assistance to our Government, and should it come to a blockade or war of intervention, our enemies know very well what answer we have been and are giving in such cases."

Many signatures were attached to this letter.

You know that a serious complication in the foreign situation, such as the one which we are going through at present, as a result of the rupture with the most powerful capitalist country is usually accompanied by great economic hardships and disturbances. Usually in such cases the stock and money markets become unsteady, and other symptoms denoting the disorganization of the economic structure are noticed. The stock exchanges in such cities as Paris, or Berlin are being greatly affected by every change in the international situation of France and Germany.

Nothing of the kind is taking place at present in our country; neither in the field of trade, nor in the matter of money circulation, nor in any other branch of the national economy. The whole economic activity of the country has remained absolutely normal; the chervonetz is stable, the accumulation of the small savings of the working population keeps on, and not even private trade has undergone any fluctuation on account of the recent events.

If you compare the situation which we are now facing with what was going on a year or a year and a half ago, as a result of miscalculations and errors in the economic administration of the country, you will see that the present economic situation after the break with England remains perfectly stable. In the course of the last year we were able to accumulate a considerable monetary reserve due to the new harvest and to successful foreign trade operations. We are at present sufficiently provided with resources to avert the necessity of making any changes in those economic plans, involving the industrialization of the country and cultural constructive work, which were drawn up in the beginning of the year.

On the basis of the last experience it must be stated that the economic policy of the Government which was directed towards reducing the economic dependence of the Soviet Union upon the capitalist countries, was correct. The only thing that is to be added to the present program of economic construction in view of the increased war menace (which is nearer now than it seemed even at the last Soviet Congress), is the necessity of intensifying the activities aiming at the economic reconstruction of the country, i. e., at its industrialization—the most important condition for the strengthening of our country's capacity for self-defense. Moreover, it is necessary, to a much higher degree than was the case until now, to direct our attention to the solution of the problems connected directly with the protection of the frontiers of the Soviet Republics. The condition of the Red Army, of the Navy and of the Air Fleet, the development of the military chemical industry, the preparation of the working class and of the peasantry for the possibility of an armed conflict should from now on receive much more attention than ever before. When I was describing the history of our relations with Great Britain and speaking of Curzon's ultimatum, I mentioned the reply which the working people of our country gave to that ultimatum. They contributed to the work of national defense and created an airplane squadron under the name of "Curzon's Ultimatum." At the present time the situation is more threatening and more complicated than it was at the time of Curzon's ultimatum. For this reason it is necessary within the shortest time to increase our efforts tenfold

and to strengthen the defense of our country to such an extent that nobody should be tempted to send us absurd ultimatums.

## After the Rupture

ON May 28, 1927, the following note, signed by Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the U. S. S. R. was handed to Mr. Peters, the British Chargé d'Affaires in Moscow:

Sir, I have the honor to request you to transmit the following to your Government:

The Soviet Government has taken cognizance of the contents of the Note handed yesterday to M. Rosengolz communicating the termination by the British Government of the Trade Agreement of 1921 and the suspension of diplomatic relations between U. S. S. R. and Great Britain. This decision was no surprise for the Soviet Government. The Soviet Government has long ago known that a rupture of relations with U. S. S. R. was being prepared by all the policy of the present British Conservative Government, which declined all proposals of the Soviet Government for the readjustment of mutual relations by means of negotiations.

The Soviet Government once more emphatically rejects all charges of on any occasion violating the Trade Agreement of 1921, as these charges are absolutely without proof and entirely unfounded. The only source of these charges, as has again and again been undeniably established, is false information drawn from most suspect White Russian refugee sources and forged documents with which the British Government freely operated throughout the period of relations between it and the Soviet Government. The fact that the search of the offices of the Trade Delegation, most carefully made during several days, yielded no results is the most convincing proof of the loyalty and correctness of the official Soviet agents. The Soviet Government scornfully passes over the insinuations of British Ministers regarding espionage by the Trade Delegation, and deems it unworthy of it to reply.

The Soviet Government declares that the British Government had no legal ground either for the first violation of the Trade Agreement of 1921, namely, the police raid on extra-territorial premises of the Soviet official agents, or the second violation, namely, the terminating of this agreement without six months' notice as provided by the agreement.

It is evident to the whole world that the fundamental cause of the rupture is the defeat of the Conservative Government's policy in China and an attempt to mask this defeat by a diversion directed against the Soviet Union, while the di-

rect reason is the British Government's desire to divert public opinion from the failure of the absurd police raid on the Arcos and the Trade Delegation premises and to save the British Home Secretary from the scandalous position in which he found himself owing to this raid.

The peoples of the Soviet Union and their Government foster no hostile feelings towards the peoples of the British Empire, with whom they wish to maintain normal friendly relations. Such, undoubtedly, is also the desire of the peoples of the British Empire. But these normal relations are not those which are wished by the present British Government, which from the very first day of its existence strove to keep relations with the U. S. S. R. constantly in tension and further to strain them.

The British Government prefers a system of oppression and enmity to a system of normal relations. It has decided upon a rupture of diplomatic relations, for which it must assume all responsibility, fully realizing that this rupture will inevitably upset existing political and economic international relations. It could not but recognize that the rupture would increase economic chaos, from which Europe still suffers after the world war, and that it would deal a hard blow at the cause of peace. However, it decided to take this step of sacrificing the interests of the broad masses of the British Empire and even of British industry.

The Soviet Government notes this act, being fully convinced the act will be condemned not only by the toiling masses, but also by all progressive elements of the world. At the same time it firmly believes that the time is near when the British people will find ways and means for the unhampered realization of their aspirations for peace and the establishment of normal friendly relations with the peoples of the Soviet Union.

LITVINOV.

## Instructions to Employees of Soviet Embassy and Trade Delegation in England

In connection with the raid upon the Soviet Trade Delegation the Press Department of the Soviet Embassy in London published the following statement:

In view of the fact that a part of the English press is persistently engaged in spreading rumors alleging that employees of the Trade Delegation and of its subordinate organizations are taking part in political organizations of England, or are connected with them, the Press Department considers it necessary categorically to refute these mendacious rumors and to declare that such activities on the part of employees of Soviet organizations as could be interpreted as interference in the internal affairs of England, are categorically

prohibited by Soviet authorities. In order to obviate the possibility of the participation of employees of Soviet organizations in activities of this kind, the Plenipotentiary Representative of the U. S. S. R. in England, jointly with the Trade Delegate, issued the following instructions, dated December 29, 1926:

To the Trade Delegation and to all of its subordinate organizations and to all Departmental Managers:

You are asked to inform all employees under personal signature of notification of the following instruction issued by the Embassy and the Trade Delegation of the U. S. S. R. in Great Britain on December 16, 1926:

Supplementary to previous instructions and orders, we once again categorically request that all employees, without exception, of the Embassy and Trade Delegation of the U. S. S. R. in Great Britain refrain from any actions which might be interpreted as interference in the internal affairs of Great Britain. In particular, employees who are English citizens are requested to refrain from any political work within the limits of the territory of the Embassy, the Trade Delegation and other Soviet organizations. They are also forbidden to form any organizations in any way connected with political parties.

You are notified that in the event of any employee violating this instruction in any way he or she will be immediately dismissed.

This instruction is to be shown to every employee, who must attach his personal signature.

Chargé d'Affaires of the U. S. S. R. in England,  
ROSENGOLZ.

Chairman of the Trade Delegation,  
KHINCHUK.

Independently of this instruction, citizens of the U. S. S. R. entering the service of the Trade Delegation and other organizations of the Soviet Government in England, are required to undertake the following obligation: "I, the undersigned, hereby declare that during my sojourn in England I will refrain from all activities which could be interpreted as interference in the internal affairs of England. In particular, I engage myself not to participate in the activities of any organization or society which pursues political aims. At the same time I certify that I have been warned by the Consul General of the U. S. S. R. in England that should I violate the above mentioned obligations, I am subject to dismissal without the right of obtaining a position in any other Soviet institution in England, and that simultaneously with my dismissal the Consulate General will request that I leave immediately the territory of England and return to the U. S. S. R."

In addition to these instructions of a general

nature the Soviet authorities, in particular cases, forbade Soviet employees to participate in meetings and demonstrations of a political character. Thus, for instance, in connection with the meeting held in Albert Hall on February 6, 1927, on occasion of the events in China, the following instruction was issued: "I categorically forbid the employees of the Soviet institutions to take part in the Albert-Hall meeting of February 6. Please notify all employees of your institution or department of this decision and have every one attach his (her) signature.—Trade Delegate of the U. S. S. R. in England, KHINCHUK."

#### German Embassy to Protect Soviet Interests in England

Moscow papers of May 29 report that according to the Wolff Agency in Berlin, Mr. Krestinsky, Plenipotentiary Representative of the U. S. S. R. in Germany, in the name of his Government requested the German Government to entrust the German Ambassador in London with the protection of Soviet interests in England. The German Government has complied with the request.

According to a report of the Norwegian Telegraph Agency, published by Moscow papers, the English Government has applied to Norway with the request to undertake the protection of British interests in the U. S. S. R.

#### Litvinov's Note on Voikov's Assassination

On June 7, 1927, immediately after the murder of the Plenipotentiary Representative of the Soviet Union in Poland by a Russian Monarchist, Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, sent the following note to Mr. S. Patek, Envoy Extraordinary and Minister Plenipotentiary of the Polish Republic in Moscow:

The Government of the Soviet Union has just received a short telegraphic communication regarding the murder of P. L. Voikov, Plenipotentiary Representative of the U. S. S. R. in Poland, by a Russian Monarchist.

The Soviet Government considers this unheard of crime in connection with a series of actions directed towards the destruction of the Soviet diplomatic service abroad and creating a direct menace to peace. The raids upon the Peking Embassy of the U. S. S. R., the siege of the Consulate in Shanghai, the police attack upon the Trade Delegation in London, the provocative rupture of relations on the part of England—all these actions have set into motion the activity of the reactionary terrorist groups which in their impotent and blind hatred of the working class are resorting to the weapon of political murder.

The Government of the Soviet Union considers the murder of its Envoy also as a result of the failure on the part of the Polish Government to take all the necessary measures against the criminal activity, on Polish territory, of Russian counter-revolutionary terrorist organizations, which in the present tense international situation represent a particular danger to the cause of peace.

The Government of the Soviet Union has in the past called the attention of the Polish Government to the activities of the White-Guard terrorists and has repeatedly warned the Polish Government of the possibility of provocatory crimes on the part of those elements.

The Government of the Soviet Union, therefore, submits its energetic and indignant protest, and, considering that the Polish Government cannot decline the responsibility for what has taken place, it reserves for itself the right to return to this question after the reception of more detailed, exhaustive information on the crime committed in Warsaw.

Asking you to bring the above to the cognizance of your Government, I am, etc.,

M. LITVINOV.

### Soviet-Latvian Trade Agreement

ON June 2, 1927, the Soviet-Latvian Trade Agreement was signed by the delegates of the U. S. S. R. and of the Latvian Republic.

The negotiations had lasted about five weeks. The Agreement is based on the most-favored-nation principle as well as upon the granting of mutual facilities which under the principle of the most-favored-nation treatment are not granted to other countries.

A customs convention is attached to the Trade Agreement. According to that convention both parties are to grant to each other percentage reductions from their minimum customs tariffs.

The Trade Agreement secures for both countries the possibility of a considerable increase of the mutual trade turnover. It is assumed that as a result of that agreement, the volume of the exports from Latvia into the U. S. S. R. will increase several times as compared with the figures for the preceding year. The same is expected with regard to the exports from the U. S. S. R.

The regulation of the commercial relations between the two countries and the mutual granting of special facilities represent a strong stimulus for the increase of the transit trade through Latvia.

The agreement is to be valid for five years.

### International Economic Conference

AT the May 8 session of the International Economic Conference called to Geneva by the League of Nations, Mr. G. Sokolnikov, former People's Commissar for Finances of the U. S. S. R. addressed the Conference in the name of the Soviet Union.

Mr. Sokolnikov began his speech by recalling the wrong predictions concerning the inevitable break-down of the socialist system of the Soviet Union, which as far back as five years ago, at the time of the Genoa Conference, were being made on various occasions, even by the leading statesmen of Europe. "It was declared at that time" Mr. Sokolnikov said, "that the only road to the reconstruction of the Soviet Union was the submission of the U. S. S. R. to an extensive control by international capitalist combinations. These pessimistic predictions were based upon the unheard of difficulties with which the U. S. S. R. had to cope at that time. The responsibility for those difficulties, which in reality were caused by the devastating consequences of the World War, was unjustly being placed then upon the socialist basis of the Soviet economic system." Mr. Sokolnikov proceeded to give a detailed picture of the reestablishment of economic life within the Soviet system. After mentioning the numerous attempts to restore the old Russian regime, which can now be regarded as complete failures, Mr. Sokolnikov continued: "This proves how unfounded were the hopes for an economic break-down of the U. S. S. R. The International Economic Conference attempts to remove the obstacles standing in the way of economic development by outlining new paths for this development. One of these is undoubtedly the renewal of economic relations with the Soviet Union which has at its disposal, in addition to rich, but not yet fully developed natural resources, also a rapidly growing industry, as well as a considerable agricultural production."

Mr. Sokolnikov characterized the present situation of Soviet industry as follows: The total annual output of Soviet industry according to prices of 1913 for the past fiscal year (1925-26, beginning October 1, 1925) amounted to 7,360,000,000 rubles (\$3,790,400,000), and during the current fiscal year (beginning October 1, 1926) it will exceed 8,000,000,000 rubles (over \$4,000,000,000); in case the economic program, as outlined by the Government, is carried out in full, the annual production of Soviet industry will amount to over 8,450,000,000 rubles (\$4,352,000,000). This increase of production is accompanied by a considerable investment of capital in the industries, which amounted last year to 1,250,000,000 rubles (\$643,700,000), and this year to 1,450,000,000 rubles (\$747,000,000). These funds were

used for a fundamental renewal and extension of Soviet industrial equipment. The total amount of capital investments in the Soviet Union's national economy was last year over 2,250,000,000 rubles (\$1,159,000,000), and this year 3,100,000,000 rubles (\$1,600,000,000)."

Pointing out further the importance of agricultural production and of the other private enterprises of the U. S. S. R. in which there was invested during the last budget year altogether 800,000,000 rubles (over \$400,000,000), and during the current year about 1,000,000,000 rubles (over \$500,000,000), Sokolnikov declared that the economic task of the U. S. S. R. invariably consists in furthering the process of accumulating the productive energy of national economy.

"The economic reconstruction of the U. S. S. R. which began on this basis," Mr. Sokolnikov declared, "will continue to proceed along the same path. In this connection attention should be called to the powerful development of various branches of Soviet industry, first of all of the heavy industry (coal and ore mining, metal and electrical industries), based upon the simultaneous progress in agriculture. It is the desire of the working masses of the U. S. S. R. in the shortest possible time to overcome the predominately agricultural character of Russia's economic life and to do away with the antiquated forms of the country's industries.

"Hand in hand with the growth of the productivity of labor in industry and agriculture, an improvement of the organization of every single enterprise and of the entire national economy will take place, accompanied by a growth of the resources which the U. S. S. R. can use for the consolidation and reestablishment of all branches of industry in accordance with the most recent requirements of technique. These resources will be first of all placed at the disposal of those branches of industry which play a decisive part in the Soviet national economy, such as the steel industry, machine construction, mining and oil. The tasks which the Soviet Union has set for itself in connection with its economic policy, are vast and difficult, and we are ready to admit that in some respect or other the realization of these tasks may meet with partial failure. However, the final success of this work in the field of reconstruction of national economy which the Soviet Government has undertaken on an unparalleled scale, is fully assured."

After having remarked that a collaboration between the Soviet and the capitalist economic systems is entirely possible, Sokolnikov emphasized the tremendous economic possibilities of the Soviet Union both in the field of agriculture and in the field of industry, and in that connection he pointed to the necessity of importing capital to the U. S. S. R. Subsequently Mr. Sokolnikov presented a detailed plan of the economic development of the U. S. S. R. and adduced a number of

data about the economic program of the Soviet Union for the next five years. Sokolnikov emphasized that the reduction of the agricultural output of the U. S. S. R. is partly to be explained by the fact that the peasants are not sufficiently equipped with agricultural machinery and capital which are necessary for the increase of agricultural production. "A natural result of the revolution," Mr. Sokolnikov said, "is the increase of the capacity of the domestic market and the increase of consumption. The economic policy of the Soviet Union which had to pass through periods of extremely limited exports, will in the nearest future lead to a considerable increase of exports on the basis of the growing industrial and agricultural output. The old regime which rested on a foundation of misery, hunger and oppression of the working class, would have never been able to carry out all these tasks."

In his speech Mr. Sokolnikov also pointed out that the final success of the activities of the Soviet Government in the field of economic reconstruction of the U. S. S. R. was assured owing to the fact that the principle of systematic planning was applied in the work of economic construction. Mr. Sokolnikov said that this principle could be carried out in the Soviet economic system due to the fact that the government in the U. S. S. R. was in the hands of the workers who are in alliance with the peasants, and who have abolished national oppression and secured unhampered possibilities of cultural and economic development for all nationalities.

"The application of modern scientific and technical achievements," Mr. Sokolnikov continued, "made it possible to place Soviet industries on a more efficient basis. It is our aim to give the widest possible scope to the application of scientific principles in all branches of the country's national economy." Mr. Sokolnikov then enumerated the 31 scientific institutions affiliated with the Scientific Technical Administration of the Supreme Council of National Economy.

"The fact that this Conference was called," Mr. Sokolnikov concluded, "is to a certain extent a proof that the development of productive forces, in the present stage of economic expansion, places before humanity the task of adopting organization forms which would be more perfect than those which the capitalist system was able to produce until now. The Conference will represent a step in advance, if it will lead to a deeper understanding of the nature of the present difficulties of world economy, to an improvement of the relations between the capitalist countries and the U. S. S. R., and to the furthering of general peace."

#### Concrete Proposals of the Soviet Delegation

The following proposals of the Soviet Government were submitted to the International Eco-

conomic Conference by Mr. V. V. Ossinsky, Chairman of the Soviet Delegation to the Conference:

1. Canceling of all war debts and all payments connected with the war, as the only way of settling the contradictions which are the immediate result of the war of 1914-18; such a cancellation of debts and payments would be a great step in advance on the road towards the reestablishment of world trade;

2. Increase of wages of the industrial workers;

3. Reestablishment of the eight-hour day in all branches of industry and the introduction of the six-hour day in the mines and in industries which are particularly hard or harmful to health;

4. The establishment of complete and actual freedom of trade union organization of the working class, and unlimited right to strike;

5. The introduction of real assistance to the unemployed, particularly to those who lost their employment in consequence of technical improvements; for this purpose the taxation of the incomes of the propertied classes is to be increased and all expenditures for unproductive purposes (militarism, bureaucracy, articles of luxury, etc.), are to be reduced;

6. Energetic struggle against the rise of prices of industrial products, and in particular, against the increase of prices effected by trusts;

7. The removal of all obstacles to emigration and immigration;

8. The abolishment of the system of protectorates and mandates, the withdrawal of troops from the colonies, the recognition of the right of all peoples to political and economic self-determination;

9. The cessation of military intervention in China which is to be granted full political and economic liberty so as to render possible the reestablishment of normal economic relations between China and the other countries;

10. Termination of the political and economic boycott of the U. S. S. R. in all its aspects, and the establishment of relations with the Soviet Union on the basis of the recognition of the inevitability of the co-existence of two different systems; the granting of credits to the Soviet Union for the purpose of strengthening its purchasing power, in exchange for which foreign capital will obtain concessions in the U. S. S. R.; the establishment of technical collaboration with the Soviet Union and interchange of achievements in the field of technique and industry; relinquishment of any attempts upon institutions inseparably and organically connected with the Soviet system, in particular, upon the foreign trade monopoly;

11. Real and entire disarmament and complete abolition of standing armies and navies; creation of organizations of workers and peasants for the control of the liquidation of all industries and establishments intended for military purposes.

## Amendments to the Constitution of U. S. S. R.

THE Fourth Congress of Soviets of the U. S. S. R. which was held in the second part of April, 1927, decided to insert the following additions and changes in the Constitution of the Soviet Union:

1. In Section 9 of the Constitution of the U. S. S. R. after the words "and of representatives of provincial" are to be added the words "and district", and Section 9 is to be worded as follows:

"9. The Soviet Congress of the Union of the Soviet Socialist Republics shall be composed of representatives of City Soviets and Soviets of Urban Settlements on the basis of 1 deputy for each 25,000 electors, and of representatives of Provincial and District Soviet Congresses, on the basis of 1 deputy for each 125,000 inhabitants."

2. In Section 10 of the Constitution of the U. S. S. R. the following changes are to be made: (a) after the words "at the Provincial" the words "and District" are to be added; (b) after the words "which have no provincial" the words "or district" are to be inserted, and Section 10 of the Constitution is to be worded as follows:

"10. The representatives to the Soviet Congress of the Union of the Soviet Socialist Republics shall be elected at the Provincial and District Soviet Congresses. In those republics which have no provincial or district units, the delegates shall be elected directly at the Soviet Congresses of the respective Republics."

3. In Section 11 of the Constitution of the U. S. S. R., for the words "The regular session of the Soviet Congresses of the Union of the Soviet Socialist Republics shall be convened by the Central Executive Committee of the Union of the Soviet Socialist Republics once a year" the following words are to be substituted: "The regular session of the Soviet Congresses of the Union of the Soviet Socialist Republics shall be convened by the Central Executive Committee of the Union of the Soviet Socialist Republics once in two years", and Section 11 of the Constitution of the U. S. S. R. is to be worded as follows:

"11. The regular session of the Soviet Congresses of the Union of the Soviet Socialist Republics shall be convened by the Central Executive Committee of the Union of the Soviet Socialist Republics once in two years; extraordinary sessions shall be convened by the Central Executive Committee of the Union of the Soviet Socialist Republics either on its own initiative, or on the demand of the Council of the Union, or Council of Nationalities or of any two of the Constituent Republics."

4. In Section 37 of the Constitution of the U. S. S. R. the following changes are to be made:

(a) for the words "People's Commissar for Foreign Trade" the words "People's Commissar for Foreign and Domestic Trade" are to be substituted; (b) the words "People's Commissar for Domestic Trade" are to be omitted;\* (c) the Section is to be supplemented by the following words: "Director of the Central Statistical Administration", and Section 37 of the Constitution of the U. S. S. R. is to be worded as follows:

"37. The Council of the People's Commissars of the Union shall be the executive and administrative organ of the Central Executive Committee of the Union and it shall be constituted by it in the following order:

Chairman of the Council of the People's Commissars of the Union of the Soviet Socialist Republics;

Vice-Chairmen;

People's Commissar for Foreign Affairs;

People's Commissar for Army and Navy;

People's Commissar for Foreign and Domestic Trade;

People's Commissar for Transport;

People's Commissar for Posts and Telegraphs;

People's Commissar for Workers' and Peasants' Inspection;

Chairman of the Supreme Council of National Economy;

People's Commissar for Labor;

People's Commissar for Finance;

Director of Central Statistical Administration.

5. Subdivision (c) in Section 44 of the Constitution of the U. S. S. R. is to be worded as follows: "(c) Military Division."

6. In Section 51 of the Constitution of the U. S. S. R. the following changes are to be made:

(a) for the words "Foreign Trade" the words "Foreign and Domestic Trade" are to be substituted; (b) a note worded as follows is to be added: "In the matter of regulating domestic trade the People's Commissariat for Foreign and Domestic Trade of the U. S. S. R. enjoys the rights of a Joint (Mixed) People's Commissariat of the U. S. S. R.", and Section 51 of the Constitution of the U. S. S. R. is to be worded as follows:

"51. The People's Commissariats (Federal) for the Union of Soviet Socialist Republics shall be the following:

Foreign Affairs;

Army and Navy;

Foreign and Domestic Trade;

Transport;

Posts and Telegraphs.

\* The original version of the Constitution, the English translation of which was published in 1924 by the Soviet Union Information Bureau of Washington, contained the words "People's Commissar for Food" (and "People's Commissariat for Food") for which the words "People's Commissar for Domestic Trade" (and "People's Commissariat for Domestic Trade") were substituted late in 1924.

Note: In the matter of regulating domestic trade the People's Commissariat for Foreign and Domestic Trade of the U. S. S. R. enjoys the rights of a Joint (Mixed) People's Commissariat of the U. S. S. R."

7. In Section 52 of the Constitution of the U. S. S. R. the following changes are to be made: (a) the words "Domestic Trade" \* are to be omitted; (b) the words "Central Statistical Administration" are to be added, and Section 52 of the Constitution of the U. S. S. R. is to be worded as follows:

"52. The Joint (Mixed) People's Commissariats of the Union of Soviet Socialist Republics shall be the following:

Supreme Council of National Economy;

Labor;

Finances;

Workers' and Peasants' Inspection;

Central Statistical Administration."

8. In Section 67 of the Constitution of the U. S. S. R. the following changes are to be made:

(a) for the words "People's Commissar for Domestic Trade" the words "People's Commissar for Trade" are to be substituted; (b) the words "Director of Central Statistical Administration" are to be added; (c) after the word "Foreign" there are to be added the words "and Domestic" and Section 67 of the Constitution of the U. S. S. R. is to be worded as follows:

"67. The Central Executive Committees of the Constituent Republics shall establish their own respective executive organs which shall be the Councils of People's Commissars, consisting of the following:

Chairman of the Council of People's Commissars;

Vice-Chairmen;

Chairman of the Supreme Council of National Economy;

People's Commissar for Agriculture;

People's Commissar for Finance;

People's Commissar for Trade;

People's Commissar for Labor;

People's Commissar for Internal Affairs;

People's Commissar for Justice;

People's Commissar for Workers' and Peasants' Inspection;

People's Commissar for Education;

People's Commissar for Health;

People's Commissar for Social Welfare;

Director of Central Statistical Administration;

and also, with an advisory or deciding vote, according to the decisions of the respective Central Executive Committees of the several Republics, the Representatives of the People's Commissariats for Foreign Affairs; Army and Navy; Foreign and Domestic Trade; Transport, and of Posts and Telegraphs."

9. In Section 68 of the Constitution of the U. S. S. R. the following changes are to be made: (a) after the words "Workers' and Peasants' Inspection" the words "and the Central Statistical Administration" are to be inserted; (b) the word "Domestic" \* is to be omitted and Section 68 of the Constitution of the U. S. S. R. is to be worded as follows:

"68. The Supreme Council of National Economy and the People's Commissariats for Trade,\* Finance, Labor, Workers' and Peasants' Inspection and the Central Statistical Administration of each Constituent Republic, while subordinate to its respective Central Executive Committee and Council of People's Commissars of the Constituent Republics, shall, at the same time carry out the instructions of the corresponding People's Commissars of the U. S. S. R. (Federal)."

#### Changes of the Constitution Adopted in 1924 and 1925

A number of changes in the original text of the Constitution of the U. S. S. R. as ratified in 1923 (and published in English by the Soviet Union Information Bureau in 1924), were adopted by the Union Central Executive Committee in 1924 and the Soviet Congress of the U. S. S. R. of 1925. The articles changed, in their new wording, including the Covenant and Sections 14, 15, 25, 26, 27, 45, 70 and 71, follow:

#### COVENANT

The Russian Socialist Federated Soviet Republic, the Ukrainian Socialist Soviet Republic, the White Russian Socialist Soviet Republic, the Transcaucasian Socialist Federated Soviet Republic (consisting of the Soviet Socialist Republic of Azerbaijan, the Soviet Socialist Republic of Georgia, and the Soviet Socialist Republic of Armenia), the Turkoman Socialist Soviet Republic and the Uzbek Socialist Soviet Republic, by this covenant enter into a single federal state to be known as "Union of Soviet Socialist Republics."

14. The Soviet Congress of the Union shall elect the Council of the Union from among the representatives of the several constituent Republics counted in proportion to the population of each republic, the number to be determined by the Soviet Congress of the U. S. S. R.

15. The Council of Nationalities shall be formed of the representatives of the constituent and autonomous Soviet Socialist Republics on the basis of five representatives from each; and of representatives of autonomous territories on the basis of one representative thereof. The composition of the Council of Nationalities as a whole shall be subject to confirmation by the Soviet Congress of the Union of Soviet Socialist Republics.

25. The Union Council and Council of Nationalities each elects a presidium of nine of its mem-

bers to arrange its sessions and conduct the work of the latter.

26. In the intervals between sessions of the Union Central Executive Committee supreme authority is vested in its presidium, formed by the Union Central Executive Committee of twenty-seven members, amongst whom are included the whole of the Union Council presidium and the presidium of the Council of Nationalities.

For the purpose of constituting the presidium of the Central Executive Committee and the Council of People's Commissars of the U. S. S. R. (Sections 26 and 37 of this Constitution) a joint session of the Union Council and of the Council of Nationalities is called. The voting at that joint session is effected separately by the Union Council and by the Council of Nationalities.

27. The Central Executive Committee elects, in accordance with the number of Constituent Republics, the Chairmen of the Union Central Executive Committee from members of its presidium.

45. In its plenary sessions the Supreme Court shall consist of fifteen members, including one chairman, one vice-chairman, the chairmen of the plenary sessions of the Supreme Courts of the Constituent Republics, and a representative of the Joint State Political Department of the Union (See Section 61). The chairman, vice-chairman, as well as the other seven members shall be appointed by the Presidium of the Central Executive Committee of the Union.

70. The insignia of the Union of the Soviet Socialist Republics shall consist of a sickle and hammer mounted on a terrestrial globe illuminated by sun-rays and surrounded by ears of grain; the ears are intertwined with ribbons, bearing the inscription, in the six languages mentioned in Section 34, "Proletarians of all countries, unite!" The upper portion of the insignia shall be surmounted by a five-pointed star.

71. The flag of state of the Union of Soviet Socialist Republics shall be of red or scarlet cloth; in the upper corner at the staff are a golden sickle and hammer, surmounted by a red five-pointed star with a golden border. Proportion of width to length is 1:2.

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\* See note on preceding page.

## Foreign Trade of the U. S. S. R.

SOVIET exports and imports (across the European frontiers only) for the first six months of the current fiscal year (beginning October 1, 1926) were distributed as follows according to the various countries:

*Soviet Exports and Imports During First Six Months of 1926-27 and 1925-26*

### First Six Months of 1926-27

Country	Exports	Imports
England	112,500,000	48,400,000
Germany	81,600,000	60,800,000
United States	6,500,000	42,800,000
Australia		4,300,000
Belgium	5,900,000	
Czecho-Slovakia	500,000	5,200,000
Denmark	7,900,000	300,000
Egypt	3,200,000	10,600,000
Estonia	4,700,000	2,100,000
Finland	5,700,000	8,600,000
France	35,600,000	6,600,000
Holland	12,200,000	1,600,000
Italy	23,100,000	1,600,000
Latvia	30,600,000	800,000
Poland	8,000,000	8,100,000
Sweden	3,200,000	5,600,000
Other Countries	29,200,000	41,200,000
Total	370,400,000 (\$190,756,000)	248,600,000 (\$128,029,000)

### First Six Months of 1925-26

Country	Exports	Imports
England	90,000,000	71,000,000
Germany	54,100,000	94,500,000
United States	13,200,000	50,400,000
Australia		11,300,000
Belgium	10,300,000	1,700,000
Czecho-Slovakia	800,000	14,600,000
Denmark	5,600,000	1,000,000
Egypt	1,000,000	17,500,000
Estonia	13,800,000	2,900,000
Finland	2,700,000	10,100,000
France	21,100,000	10,200,000
Holland	10,100,000	5,200,000
Italy	15,900,000	14,900,000
Latvia	32,900,000	3,300,000
Poland	1,600,000	5,800,000
Sweden	500,000	9,500,000
Other Countries	26,900,000	42,100,000
Total	300,000,000 (\$154,500,000)	366,000,000 (\$188,490,000)

## Foreign Trade of the U. S. S. R.

Foreign trade of the Soviet Union for April amounted to \$50,470,000, with exports of \$25,338,000 and imports of \$25,132,000. The trade showed a let-down as compared with previous months. The figures cover the European frontiers only.

April was the eighth successive month to show a favorable trade balance. The total favorable balance since October 1 last, the beginning of the Soviet fiscal year, has been \$62,933,000.

## Mr. Bron on Soviet-American Trade

THE following statement on American trade with the Soviet Union in the light of the Anglo-Soviet break was issued by Mr. Saul G. Bron, Chairman of the Board of the Amtorg Trading Corporation, the largest organization in American-Soviet trade:

"I have received numerous inquiries as to how American-Soviet trade will be affected by the breach in Anglo-Soviet relations. While it is still too early to give any figures in detail, my correspondence of the past few days indicates that there should be a decided gain in Soviet purchases here.

"Last year Soviet purchases in Great Britain aggregated about \$75,000,000 and in Canada during the current year about \$3,000,000. It is obvious that rearrangements of a business of this volume, under unexpectedly changed conditions, cannot be effected in a few days. I am advised that existing contracts made in both countries will be scrupulously fulfilled as far as the Soviet trading organizations are concerned. The offices of the Soviet trade delegation in Canada have already been closed and the uncompleted commitments have been turned over to Amtorg for completion.

"We are already receiving tentative orders from Moscow that would ordinarily go to England. The next few months will give an indication of the extent of such diversions. In this connection it is interesting to note that during May Amtorg placed the greatest number of orders in the United States during any month since its organization three years ago. These orders amounted to \$3,500,000. This increase was not influenced by events in England. It is also interesting to note that purchases of American cotton valued at upwards of \$35,000,000 by the All-Russian Textile Syndicate during the past seven months established a new record for that company.

"I am in a position to state authoritatively that the break with England will have no effect on the economic plans for the current year in the Soviet Union. Orders to be placed abroad for industrial expansion will suffer no curtailment. The financial position of the Soviet Union in connection with commitments and trade is well taken care of.

"In accordance with the plans for industrial expansion in the Soviet Union for the coming year, we may expect a considerable increase in Soviet imports and orders abroad. There is every indication that these plans for enlarged foreign trade will be fully carried out. There is also every indication that the break with England will facilitate the effort being made by Soviet industrialists to trade directly with American firms, through the authorized trading companies here, eliminating the European middle-man, and to en-

ter into closer relations with the American technical world.

"To sum up: The secure position in connection with Soviet trade plans for this year, the industrial program for the coming year, the recent increase in orders placed here and the curtailment of trade with Britain, all these show the direction to be taken by Soviet trade with the United States."

### Soviet Industries

THE value of the total output of the large scale State industries of the U. S. S. R. for April, 1927, amounted to 690,900,000 rubles (\$355,800,000), as against 733,200,000 rubles (\$377,600,000) in March, 1927, and 652,600,000 rubles (\$336,000,000) in April, 1926. The total output of coal amounted to 2,400,000 metric tons in April, 1927, as against 2,837,000 metric tons in March, 1927 and 2,162,000 metric tons in April, 1926. The output of rolled iron amounted to 221,500 metric tons in April, 1927, as against 241,100 metric tons in March, 1927, and 198,400 metric tons in April, 1926. The output of cotton cloth amounted to 197,600,000 meters in April, 1927, as against 200,200,000 meters in March, 1927, and 182,400,000 meters in April, 1926.

### Soviet Coal Industry

The coal output of the Soviet Union for the first six months of the Soviet fiscal year, October 1 to March 31, broke all Russian records with a total of 16,690,000 metric tons. The figures compare with an output of 12,333,500 metric tons for the same period last year and 14,178,000 tons for the half-year in 1913. The coal industry of the Soviet Union is expending \$59,740,000 on capital extensions this year.

### Soviet Oil Industry

Oil production in the Soviet Union for April was 833,057 metric tons, as compared with an average monthly production of 821,000 metric tons for the preceding six months and 661,008 metric tons for April, 1926. The increase as compared with April, 1926, was 26 per cent.

Oil exports for April were 166,026 tons as compared with 171,823 tons in March and 120,601 tons in April, 1926.

The oil industry reports great gains in mechanization and working efficiency. During the past three years the monthly output in the Baku fields has increased 65 per cent while the working force at the wells has been reduced by 40 per cent. Wages have increased by 60 per cent. The cost of boring has been decreased from over \$50 per foot in 1923 to about \$28 per foot last year.

### Soviet Finances

THE statement of the State Bank of the U. S. S. R. for April 1, 1927, shows substantial gains as compared with October 1, 1926, the beginning of the Soviet fiscal year.

Deposits and current accounts were \$708,488,654, as compared with \$617,815,695 on October 1, an increase of 14.2 per cent. Bullion, coin, precious metals and foreign currency increased from \$130,378,611 to \$160,183,653, or 23 per cent. Loans and discounts increased from \$978,841,647 to \$992,680,967, or 1.4 per cent.

The statement of April 1 balanced at \$1,703,990,002, as compared with \$1,395,921,879 on October 1, an increase of 22 per cent.

Currency in circulation in the Soviet Union on May 1 was \$697,516,000, as compared with \$691,696,500 on October 1 last.

### Financial Statement of Issue Department of the State Bank of U. S. S. R.

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of June 16, expressed in chervontzi valued at \$5.14½, with comparison of June 1, follows:

<i>Assets</i>	<i>June 16</i>	<i>June 1</i>
Gold coin and bars .....	16,703,023	16,684,825
Platinum .....	1,705,252	1,851,417
Foreign currency .....	8,373,864	8,373,864
Drafts in foreign currency .....	266,490	266,490
Bills in chervontzi .....	68,865,504	64,737,537
Securities covering advances .....	85,867	85,867
<b>Total</b> .....	<b>96,000,000</b>	<b>92,000,000</b>
<i>Liabilities</i>		
Bank notes transferred to State Bank .....	93,870,065	90,550,297
Balance to which notes may still be issued .....	2,129,935	1,449,703
<b>Total</b> .....	<b>96,000,000</b>	<b>92,000,000</b>

### New Internal Loans

The Council of People's Commissars of the U. S. S. R. has decided to float two new internal loans of 200,000,000 rubles (\$103,000,000) each.

The bonds of the Internal 12 per cent State Loan are to be sold in denominations of 50, 100, 500, and 5,000 rubles. The redemption of the loan begins December 1, 1932, and is effected every six months, the last term being June 1, 1937.

The bonds of the Third Internal 8 per cent State Loan of 1927 are to be sold in denominations of 50, 100, 500, and 1,000 rubles at the rate of 96 rubles for 100 rubles. The redemption begins September 1, 1933, and ends March 1, 1937.

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## Miscellaneous News

### The Assassination of the Soviet Envoy in Warsaw

The Soviet Union mourns the death of Peter Lazarevich Voikov, Diplomatic Representative of the U. S. S. R. in Poland, murdered in Warsaw by a Russian Monarchist.

Peter Lazarevich Voikov was born in South Russia in 1887. He was active in the Russian revolutionary movement since his early youth. In 1907 he was indicted before a Tsarist military court, but succeeded in escaping to Western Europe where he studied mathematics and physics at the universities of Geneva and Paris.

He returned to his country after the Revolution of 1917, working first in the trade union movement, and later in various economic departments of the Government. His activity in 1918, as Commissar for Food Supply of the Ural Region, gave rise to various false rumors of his participation in the execution of the Tsar who was then kept prisoner in that part of the Soviet Republic.

In 1921 Voikov entered the service of the People's Commissariat for Foreign Affairs. Since 1924 he held the post of Plenipotentiary Representative of the Soviet Union in Poland.

### Delegation of Soviet Agricultural Scientists in U. S. A.

The largest and most distinguished delegation of Russian agricultural scientists ever in attendance at an international congress abroad took part in the First International Congress of Soil Science which opened June 13 in Washington, D. C., and continued until June 22. The delegation from the Soviet Union consisted of 21 agricultural specialists and these formed the largest foreign group at the Conference. The Soviet delegates were headed by Academician Dr. K. D. Glinka, director of the Leningrad Agricultural College and Director of the Soil Institute of the Academy of Sciences of the Soviet Union. Dr. Glinka is the dean of soil scientists and is known in every country through his long list of technical works.

The Soviet delegates were selected by the Academy of Sciences of the Soviet Union. They brought with them a special exhibit, including the

principal recent Russian scientific works on soils, and fifty samples of soils from various sections of the Soviet Union, both in Europe and Siberia, and numerous graphic charts showing soil layers in forest land and cultivated land. The exhibit, which cost about \$15,000, will be left in Washington and will be housed permanently in the World Museum of Soils which is expected to be established in Washington as a result of the Congress.

In addition to Chairman Glinka, the members of the Soviet delegation were: Prof. A. A. Iarilov, Moscow University; Dr. V. V. Gernerling, Moscow University; Prof. A. Kaigorodov, White-Russian Agricultural Academy in Gorki; Prof. S. A. Zacharov, Kuban Agricultural Experiment Station; Prof. L. I. Prassolov, Leningrad Institute of Soil Science of the Academy of Sciences; Prof. S. P. Kravkov, Leningrad University; Prof. N. M. Tulaikov, Director Saratov Agricultural Experiment Station; Prof. I. N. Afanassiev, White-Russian Agricultural Academy in Gorki; Prof. A. N. Sorolovsky, Kharkov Agricultural Institute; Prof. D. G. Vilensky, Kharkov Agricultural Institute; P. P. Yurin, Director State Agricultural Department, Kursk; Prof. E. E. Uspensky, Moscow Agricultural Academy; A. P. Shurigin, Timiriachev Academy, elected as delegate of the agricultural students of the Soviet Union; Prof. U. B. Tiurin, University of Kazan; Miss A. N. Gudilana, laboratory assistant White-Russian Agricultural Academy in Gorki; Prof. B. B. Polynov, Academy of Sciences; Prof. A. A. Schmook, Director Krasnodar Tobacco Experiment Station; Prof. S. S. Neustrav, Leningrad University; Prof. I. A. Mirtov, Director Soviet Bureau of Agricultural Information, Prof. A. F. Lebedev, Rostov University.

### Irrigation of the Soviet Cotton Area

The growth of the irrigated cotton area in the Soviet Union is shown by the following figures: Fiscal year 1921-22—1,780,000 dessiatins (4,806,000 acres); 1924-25—3,448,000 dessiatins (9,309,600 acres); 1925-26—3,754,000 dessiatins (10,035,800 acres), and 1926-27—3,895,000 dessiatins (10,516,000 acres). The area irrigated in 1914-15 was 4,349,000 dessiatins (11,745,000 acres).

The sums appropriated for this purpose from the State budget were 4,604,000 rubles (\$2,371,000) in 1922-23; 7,949,000 rubles (\$4,093,700) in 1923-24; 12,482,000 rubles (\$6,429,000) in 1924-25; 31,000,000 rubles (about \$16,000,000) in 1925-26, and 43,225,000 rubles (\$22,260,000) in 1926-27.

### Connection of White and Caspian Seas

In the region of Kubinskoye Lake surveys have been started for the digging of the Lacha-Kubinskoye Canal, which will join the river system of the White Sea with the tributaries of the Volga and thus connect the White Sea with the Caspian and Black Seas (via the Mariinsk canal system).

### Waterway from Siberia to Europe

Next year the Central Department of Waterways of the People's Commissariat of Ways of Communication of the Soviet Union will start investigations with a view to establishing water connection between the rivers Obi, Sob, Usa, Pechora, Sula and Indiga. Western Siberia, the Northern Ural and the Pechora Region would thus be connected with the Cheshskaya Bay of the Arctic Ocean, solving the problem of the export of Siberian timber, grain and other freight shipped in large quantities. The total length of the route, from the mouth of the Sob, a tributary of the Obi, to the Indiga Bay (on the Samoyed coast of the Arctic Ocean) will be about 790 miles of which 530 miles will have to be operated by locks.

The bulk of the freight will be shipped down stream on the rivers constituting that water system, thus considerably reducing the cost of transport. Thus the delivery of one pood (36 lbs.) of freight over a distance of 2,600 miles from Omsk and Novosibirsk to the Indiga port will cost not more than 12 kopecks (6 cents), while the rail transport of grain over the same distance would cost from 27 to 38 kopecks (14 to 19 cents) more.

### American Equipment for Soviet Industries

Amtorg Trading Corporation of New York has received advices from the Donetz Coal Basin of the Soviet Union of the completion of preliminary work on the two "Amerikanka" (American) mines, to be constructed with the assistance of six American mining engineers. Machinery and equipment to the value of \$325,000 will be shipped to the Donetz Basin from the United States.

Other machinery, already ordered here for the Donetz Basin, will be tested in the field in comparison with similar German equipment. A construction department along American lines has been organized by the Donugol Coal Trust.

For the Kuznetz coal fields in Siberia, coal cutters, loaders, conveyers and other equipment will be ordered in the United States.

Gas meters, regulators and other gas equipment valued at nearly \$250,000, ordered in the United States, will soon be shipped to the Soviet oil cities, Baku and Grozny.

Natural gas is found in abundance in the Soviet oil fields. It is now beginning to be utilized for the first time for household and refining purposes.

Sewing machines, cloth cutting machines, spare parts and other equipment valued at \$220,000 were recently purchased in the United States for clothing factories in Moscow, Leningrad and several Ukrainian cities.

### American Mining Engineers in U. S. S. R.

John A. Garcia, of the Chicago firm of Allen and Garcia, mining engineers, with five associates including his son, have sailed for the Soviet Union, where they will prepare plans for the sinking of a number of mine shafts by latest American methods, and for the construction of auxiliary buildings, in the coal fields of the Donetz Basin. Mr. Garcia's firm is the third American firm to sign with the Donugol Coal Trust during the past few months to assist in the modernization of the Donugol mines.

Mr. Garcia and associates will spend three months in the Soviet Union designing, writing specifications and making estimates for a complete mining plant, to be operated by the Donugol Coal Trust. In particular they will design a skip-hoist mine of the American type.

Ten new coal shafts with a combined capacity of 5,000,000 metric tons are being sunk in the Donetz Basin this year and sixteen more will be put under construction in 1928.

### The Dnieper Power Plant

Preliminary work on the Dnieper river power project, which will be the largest hydro-electric development in Europe, has been started. Seven hundred workmen were put to work on construction early in May, and this force will be increased to 3,000 by midsummer. Col. Hugh L. Cooper, the builder of Muscle Shoals, who is chief consulting engineer for the Dnieper project, is on the ground.

Two 18½-yard steam shovels for excavation work in connection with the Dnieper plant have been ordered from the Marion Steam Shovel Company and will be shipped shortly. Other American orders in prospect include complete equipment for a sawmill, tanker locomotives, cranes and dump cars.

### Changes in Soviet Diplomatic Service

On April 5, 1927, Mr. G. L. Piatakov, formerly Assistant Chairman of the Supreme Council of National Economy of the Soviet Union, was appointed Soviet Trade Delegate in France.

On January 14, 1927, Mr. I. S. Ashkenazi was appointed Trade Delegate of U. S. S. R. in Greece.

On February 22, 1927, Mr. A. I. Belakovsky was appointed Trade Delegate of the Soviet Union in Denmark.

On March 22, 1927, Mr. B. K. Aussem was appointed Trade Delegate to Turkey.

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## Cultural Relations with Foreign Countries Soviet Concession Agreements Soviet Trade with the United States Census Figures The Soviet Oil Controversy Foreign Relations of the Soviet Union

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
Activities of Society for Cultural Relations.....	126	The Soviet Oil Controversy.....	132
Concession Agreements:		The Red Army.....	134
Georgian Manganese Company.....	128	Foreign Relations of the U. S. S. R.:	
Lena Goldfields Concession.....	128	Soviet Note to Poland.....	135
Agreement with Swedish Firm.....	128	Soviet Note to Finland.....	137
New Agreement with "Wostwag".....	129	Tchitcherin on Anglo-Soviet Relations.....	137
Modification of Krupp Concession Terms.....	129	Changes in Soviet Diplomatic Service.....	138
Soviet Industries:		Book Reviews:	
Total Output in May and June.....	129	"Bolshevist Russia," by A. Karlgren.....	138
Progress of Soviet Metal Industry.....	129	"There Is Not a Bathing Suit in Russia,"	
Textile Industry.....	129	by Will Rogers.....	138
Soviet Finances:		Miscellaneous News	
Increase of Capital of State Bank.....	130	Death of M. Pavlovitch.....	139
Financial Statement of Issue Dept. of		Preliminary Figures of All-Union Census.....	139
State Bank.....	130	Soviet Expedition to Wrangel Island.....	139
Currency Circulation.....	130	Esperanto in the Soviet Union.....	139
Soviet Federal Budget for 1927-28.....	130	Foreign Trade of the U. S. S. R.....	140
American-Soviet Trade:		Soviet Trade with South America.....	140
Amtorg Orders in the U. S. A.....	131	Foreign Trade of Soviet Cooperatives.....	140
American Exports to U. S. S. R.....	131	Sugar Beet Sowings in Ukraine.....	140
American Tractors in U. S. S. R.....	131	Agricultural Progress in the U. S. S. R.....	140
		Power Plant Construction in U. S. S. R.....	140

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# SOVIET UNION REVIEW

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## Cultural Relations with Foreign Countries

IN August, 1927, the All-Union Society for Cultural Relations with Foreign Countries celebrated the second anniversary of its final constitution after having replaced the Joint Information Bureau of Moscow, which had been established early in 1925.

It is the aim of the Society for Cultural Relations with Foreign Countries to assist in the establishment and development of cultural connections between the various institutions, public organizations and individuals active in the scientific and cultural field in the Soviet Union and those similarly engaged in other countries.

The methods applied in the work include publishing activities, exchange of books and materials, exhibitions, excursions, performances of visiting artists, correspondences and photographs on various subjects, "rapprochement parties," and lectures.

With the growth of the interest towards the Soviet Union in foreign countries there has also been noticed a considerable increase in the number of those who are ready actively to collaborate with the Society for Cultural Relations with Foreign Countries. In a number of countries Societies of Friends of the Soviet Union are in existence. They have several thousand members, publish their own papers and carry on an extensive activity.

The liberal intellectuals constitute the bulk of the membership of these Societies. Thus, in Germany the Society "Das Neue Russland" (New Russia) counts among its members such men as Professor Albert Einstein, the poet Ernst Toller, the President of the Reichstag Loebe, and a number of Socialist Members of Parliament. Many active leaders of the British Labor Party are organizers of the English Society for Cultural Relations with the Soviet Union. The famous economist J. M. Keynes, H. G. Wells, Professor Julian Huxley, and other men of note are on the Board of Directors of that Society.

The greatest activity is carried on in the countries of Central Europe. The German Society of Friends of New Russia has branches in Hamburg, Dresden, Stuttgart, Munich and Leipzig. The circulation of the magazine "Das Neue Russland" is over 7,000.

There are all in all twenty Societies of Friends of the Soviet Union in foreign countries. There are societies of this kind in Germany, Austria, England, Belgium, Denmark, Canada, Czecho-

slovakia, Switzerland, Japan, Sweden and Argentine. In 1927 a Society for Cultural Relations with the Soviet Union was founded in the United States, with the seat in New York. At the same time a Franco-Soviet Rapprochement Society was formed in Paris. In a few countries several societies are in existence simultaneously.

As a rule their activity consists in studying the U. S. S. R. and in acquainting their country with Soviet life and culture. Their methods are the same as those of the All-Union Society for Cultural Relations with Foreign Countries, viz., lectures, exhibitions, publishing, excursions, etc.

A tangible indication of the development of cultural relations between the U. S. S. R. and foreign countries is the fact that the correspondence of the All-Union Society for Cultural Relations with Foreign Countries has reached the monthly figure of 21,000 letters and other pieces of mail.

The Book Exchange Bureau of the Society maintains connections with about 1,800 active correspondents in all corners of the world. During the period between 1924 and 1927 over 210,000 books were received and 205,000 shipped, and during January and February of 1927 alone 27,912 books were received and 30,027 shipped; they included literally all branches of science.

The question of supplying bibliographical material is closely connected with that of the exchange of books. Up to the present foreign countries were very little familiar with Soviet book production. At the present time the Book Exchange Bureau of the Society is engaged in collecting practically all foreign catalogs it can obtain and all catalogs of the Soviet Union for mutual information. The compilation of lists of scientific periodicals has been started.

For the purpose of spreading information about the cultural life of the Soviet Union the Press Department of the Society for Cultural Relations publishes a "Weekly News Bulletin" in four languages—Russian, English, German and French. The foreign press is freely making use of this material. In addition, the All-Union Society for Cultural Relations maintains direct relations with foreign newspapers. Any paper, any magazine may obtain exact information on the cultural life of the Soviet Union and its peoples, including articles and illustrations.

The Literary Department of the Society for Cultural Relations acts as intermediary between foreign publishing houses and Soviet authors, giv-

ing advice and assistance in the selection of books to be published abroad.

Collections of articles on world literature such as "Zapad i Vostok" (West and East) and selections from various literatures, such as "The Songs of Yamato" from Japan, "Persian Poems," "Selections of Mongolian Songs," are being published for the U. S. S. R.

The systematic activity of the Department of Exhibitions began in December, 1925. In a number of European cities and in Japan the Society for Cultural Relations with Foreign Countries organized, in 1926, exhibitions of revolutionary posters, of type and book samples of the Eastern nationalities of the Soviet Union, and of Old-Russian monumental painting.

Of the program for 1927 mention should be made of the valuable collection of paintings of prominent Moscow and Leningrad artists, arranged in collaboration with the State Academy of Arts, which was sent to the Second International Exhibition of Engravings in Florence. A valuable collection of drawings is being sent to the exposition of Soviet Graphic Arts in Greece.

In Japan an exhibition of 200 pictures by Soviet masters was opened in May. An exhibition of children's art is being arranged in the same country. Soviet exhibits for the Tourist and Transport Exposition have been shipped already.

This year the press will be represented at the exhibition of Soviet books and posters in Brussels, and at the Exhibition of Revolutionary Posters (of the period of military communism), to be arranged in Berlin, Hamburg, Vienna and Stockholm.

The Exhibition of Soviet Architecture shown in the United States was recently closed.

An exhibition of Soviet book and graphic arts is at present open in Leipzig. In Denmark great success was achieved by the pedagogical exhibition which has now been transferred to Hamburg and Berlin, Germany. The Society for Cultural Relations was invited to take part in a Press Exhibition in Cologne and in the International Musical Exhibition in Frankfurt, for which abundant material was furnished in particular by the Ukrainian and Tartar Soviet Republics.

The Musical Section of the Society for Cultural Relations is in charge of the exchange of information on musical life in the U. S. S. R. and in foreign countries; it supplies foreign papers with articles on Russian music, takes care of the exchange of music, negotiates the exchange of artists, etc. Since its organization the Musical Section has been engaged in the elaboration of a number of concrete undertakings. Among them there is to be mentioned the participation of the U. S. S. R. in the International Chopin Contest in Warsaw, at which a young Soviet pianist, Oborin, was awarded the first prize; the celebration of the

hundredth anniversary of Beethoven's death, and the organization of the Soviet Section at the International Music Exhibition at Frankfort.

The plans of the Musical Section include the appearance of the Soviet ethnographical ensemble in Germany, and the visits of Soviet musicians to Italy and to the Scandinavian countries. The Musical Section will avail itself of the visit of prominent European musicians in the U. S. S. R. for the purpose of establishing more durable connections with their countries.

The Division of Applied Art and Architecture is striving towards the establishment of closer relations between Soviet Architects and their foreign colleagues, by arranging an exchange of their experiences through the organization of contests and by providing information about the various currents in their profession.

The Bureau for the Reception of Foreigners assists foreign visitors in getting acquainted with Soviet life and gives them the opportunity of visiting the various public and cultural institutions of the U. S. S. R.

In order to afford the Soviet public first-hand information about foreign countries so-called "Rapprochement Parties" are being held in Moscow. At these parties foreign visitors or Soviet scholars and workers returning from abroad acquaint their audiences with the situation in the respective cultural fields.

#### COMMERCIAL HANDBOOK

of the  
SOVIET UNION  
for 1927

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## Concession Agreements

**I**N a conversation with representatives of the Soviet Union Telegraph Agency, Mr. Ksandrov, Assistant Chairman of the Chief Concessions Committee, made the following statement:

On June 28, 1927, the Council of People's Commissars of the Soviet Union ratified the supplementary agreement with the "Georgian Manganese Company" (the Harriman concession enterprise) for the operation of the Chiaturi manganese deposits. Thus the negotiations which had been conducted for six months have come to a favorable conclusion; the negotiations bore a friendly character and were carried on in an atmosphere of understanding of each other's interests.

In December, 1926, the holder of the concession applied to the Chief Concessions Committee with the request to facilitate the carrying out of the fundamental agreement by changing a number of points which rendered difficult the operations of the concession enterprise.

In his first basic proposal the concessionaire was trying to obtain such terms as would enable him to compete on the world manganese market. The second request of the concessionaire referred to the inexpediency of converting the Sharopan-Poti narrow-gauge railroad into a broad-gauge line, as the expenditures involved would greatly exceed the original calculations of the concessionaire, while on the other hand the manganese export could be carried on successfully by the existing railroad as well.

In full accordance with the principles of its concession policy, always favorably and carefully to consider all legitimate claims of the concessionaires, for the purpose of creating a sound basis for the activities of foreign capital in the country, the Soviet Government, having in the given case carefully acquainted itself with the demands of the concessionaire, found it possible to accede to his proposals.

The new agreement established a gliding scale instead of a fixed payment per ton. The concessionaire is relieved of the obligation to convert the narrow-gauge railroad into a broad-gauge line, but is to carry out all the other obligations of the original agreement referring to the improvement of the carrying capacity of the Chiaturi-Poti railway. Upon completion of these activities, the railway tariff for the shipments of the concessionaire is to be reduced correspondingly for the entire amount of the economy obtained in the transport expenditures.

In addition to this, an understanding was arrived at concerning the very important question of coordinating the exports from the Chiaturi and the Nikopol manganese fields, while preserving

the full commercial independence of each enterprise.

The foreign press attempts to represent the facilities granted to the Georgian Manganese Company, as a step undertaken by the Soviet Government in consequence of the Anglo-Soviet rupture. This assumption has been refuted by the entire course of the negotiations, because in its fundamental features the new agreement had been drawn up prior to the Anglo-Soviet break.

### The Lena-Goldfields Concession Company

Early in June a representative of the British concession enterprise Lena-Goldfields declared in Moscow that the Anglo-Soviet conflict did not affect the operations of the company which is extending its activities in the U. S. S. R. An international prospecting company "Exploration," as well as prominent Soviet, British and American engineers, have been engaged to carry out new prospecting operations. One of the largest dredging machines in the world is being installed in the Lena gold-fields. The Revdinsk plant in the Ural is being reequipped. In Degtiarka in the Ural, the construction of a copper plant has been started; it is to turn out about 13,000 tons annually.

It is the opinion of the concessionaire that foreign concession capital can meet in the U. S. S. R. with a fair attitude on the part of the authorities, and find a wide field for its application.

### Agreement with Swedish Firm

The Council of People's Commissars has ratified the agreement of the "Centroprobizol" Trust with the Swedish "Vikander" Joint Stock Company concerning technical collaboration in the manufacture of the insulating material called "expansite." The term of the agreement is five years. After that period the "Centroprobizol" Trust has the right of free use of all inventions, designs and data obtained during the operation of the agreement with "Vikander."

### New Concession Agreement with "Wostwag"

In May, 1924, a concession agreement was concluded with the German joint stock company "Wostwag," under which the company was granted the right of importing and exporting all kinds of goods to and from the U. S. S. R. The term of that concession agreement expired this year, whereupon the company applied for an extension of the term of the contract. As a result, a new concession agreement was concluded, according to which "Wostwag" was granted the right for two years to carry on export and import operations between the U. S. S. R. and Germany as well as other countries. In the U. S. S. R. the operations are to be carried on under the supervision of the People's Commissariat for

Trade, while abroad the supervision is to be effected by the corresponding Soviet Trade Delegation.

### Modification of the Krupp Concession Agreement

Early in August the project of an agreement was signed by the Chief Concessions Committee and the German firm, Krupp, according to which the original terms of the agricultural concession granted to that firm four years ago, are to be modified upon the request of the concessionaire so as to enable him to put his enterprise on a more profitable basis. The new agreement is to be ratified by the Council of People's Commissars of the Soviet Union.

According to the new terms the very character of the concession is to be changed. The experience of the concessionaire has shown that for climatic reasons as well as due to the nature of the soil the tract of land in question—nearly 80,000 acres in the Northern Caucasus—is more suitable for sheep breeding than for grain raising. As a result sheep breeding is to become the chief object of the concession.

By 1935 the herds of merino sheep raised on the farm are to count at least 36,000 head, while the area under grain is to reach 13,000 acres. The entire concession is to be equipped with modern machinery. The obligations of the concessionaire concerning pro-rata payments from his output have been reduced considerably.

## Soviet Industries

THE value of the total output of the large scale State industries of the Soviet Union for June, 1927, amounted to 643,100,000 rubles (\$331,200,000), as against 719,200,000 rubles (\$370,400,000) in May, 1927, and 592,200,000 rubles (\$304,900,000) in June, 1926. The total output of coal amounted to 2,375,000 metric tons in June, 1927, as against 2,503,000 metric tons in May, 1927, and 1,968,000 metric tons in June, 1926. The output of rolled iron amounted to 219,400 metric tons in June, 1927, as against 222,300 metric tons in May, 1927, and 188,200 metric tons in June, 1926. The output of cotton cloth amounted to 191,100,000 meters in June, 1927, as against 206,600,000 meters in May, 1927, and 179,000,000 meters in June, 1926.

### Progress of Soviet Metal Industry

Plans are being drawn for a marked development of the Soviet metal industry during the next five years through the erection of new plants, mainly along American lines, to cost \$300,000,000, according to a statement made recently in New

York by a delegation of six Soviet engineers representing the Metal Institute at Moscow.

The Soviet engineers will remain in the United States for three or four months visiting American plants and consulting American engineering authorities. It is probable that one or more American engineering firms may be engaged to act as consultants for the new construction under an arrangement similar to that made with Col. Hugh L. Cooper for the Dnieper hydroelectric development and with several American firms for developing the Soviet coal fields.

"Our executives and technicians realize fully that of all the countries in the world the United States has most to teach us regarding the development of metal industries," said Mr. E. A. Rottenberg, spokesman for the delegation. Our visit is in connection with plans now under preparation by the Metal Institute for the construction during the next five years of metal works of various kinds involving an expenditure of about \$300,000,000. It is natural that the Institute should be interested in extending the industry along American lines.

"It is possible that the question of establishing a permanent branch of the Institute in New York will be taken up."

Mr. Rottenberg stated that construction of the new tractor plant at Stalingrad (formerly Tsaritsyn), to have a yearly output of 10,000 tractors, was now under way. Machinery valued at \$6,000,000 may be purchased here for the plant. Mr. Rottenberg stated that the demand for tractors in the Soviet Union during the next few years is estimated at 30,000 annually.

The metal industry is the only manufacturing industry in the Soviet Union with an output still below the pre-war level. During the first six months of the current Soviet fiscal year (October 1, 1926, to March 31, 1927), the output showed an increase of about 40 per cent over the same period last year, and was about 75 per cent of the figure for 1913. During the current year about \$120,000,000 will be spent on major construction in the industry.

### Textile Industry

Textile production in the Soviet Union is now definitely above the pre-war output in the same territory. Output of cotton cloth for the first six months of the current Soviet fiscal year (October 1, 1926, to March 31, 1927), in thousands of meters, was 1,198,900; of woolen cloth, 42,288. Output of linens, in thousands of square meters, was 101,562. Textile production in the three different lines for the period represents an increase of from 18.6 to 34.1 per cent over the same period last year. The increase was wholly due to new factories and equipment.

## Soviet Finances

**T**HE State Bank of the Soviet Union has increased its capital from ten million to twenty-five million chervontzi, equivalent to upwards of \$125,000,000. The increase places the bank, not only in total resources but also in capital, among the very largest in the world. The increase was effective June 15.

The bank began the present financial year (October 1, 1926) with considerable reserves (surplus) and undivided profits. On June 1 the surplus stood at 53 million rubles, and in addition there was a special reserve of 45 million rubles which was apparently temporary and intended for the capital increase. Undivided profits amounted to 36 million rubles.

Of the capital increase 55 million rubles comes out of these reserves, while 95 million rubles is subscribed by the Federal Treasury.

The increase was authorized by a special decree of the Central Executive Committee and the Council of People's Commissars of the Soviet Union. The decree reads as follows:

Regarding the increase of the capital of the State Bank of the U. S. S. R. to Twenty-Five Million Chervontzi (Two Hundred and Fifty Million Rubles):

With a view to adjusting the capital of the State Bank of the U. S. S. R. in conformity with the volume of its operations, the Central Executive Committee and the Council of People's Commissars of the U. S. S. R. hereby decree:

1. The capital of the State Bank of the U. S. S. R. shall be fixed at Twenty-Five Million Chervontzi (Two Hundred and Fifty Million Rubles).

2. To bring the capital of the State Bank of the U. S. S. R. to the figure indicated in Point 1, the State Bank is authorized to transfer for this purpose:

(a) Five Million and Five Hundred Thousand Chervontzi (Fifty-Five Million Rubles) from the Reserves of the State Bank, and

(b) Nine Million Five Hundred Thousand Chervontzi (Ninety-Five Million Rubles) from non-budgetary funds standing to the account of the People's Commissariat of Finance of the U. S. S. R. with the State Bank, at the direction of the People's Commissar of Finance of the U. S. S. R.

The State Bank was founded in November, 1921, with a Treasury subvention of two billion paper rubles which were later converted into stable assets. By May 1, 1925, when the bank's resources were recomputed in its own stable note currency, the capital was fixed at 50 million rubles

gold. The capital was increased to 100 million rubles on October 1, 1924.

The bank has about 500 branches throughout the Soviet Union, in addition to 500 branches of the Treasury which function as agencies of the bank.

### Financial Statement of Issue Department of the State Bank of U. S. S. R.

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of August 16, expressed in chervontzi valued at \$5.14½, with comparison of August 1, follows:

<i>Assets</i>	<i>August 16</i>	<i>August 1</i>
Gold coin and bars.....	18,246,815	17,748,034
Platinum .....	1,727,208	1,727,208
Foreign currency.....	7,369,429	7,369,429
Drafts in foreign currency.....	266,490	266,490
Bills in chervontzi.....	69,304,191	66,802,972
Securities covering advances.....	85,867	85,867
<b>Total.....</b>	<b>97,000,000</b>	<b>94,000,000</b>
<i>Liabilities</i>		
Bank notes transferred to State Bank.....	95,966,455	92,860,230
Balance to which notes may still be issued.....	1,033,545	1,139,770
<b>Total.....</b>	<b>97,000,000</b>	<b>94,000,000</b>

Ninety-seven million chervontzi equal 970,000,-000 gold rubles.

### Currency Circulation

The total amount of the currency in circulation in the Soviet Union on July 1, 1927, was 1,475,-100,000 rubles (\$759,680,000), as against 1,209,-400,000 rubles (\$622,800,000) on the same date of the preceding year. The currency (as of July 1, 1927) was composed of State Bank notes 878,700,-000 rubles, treasury bills 421,600,000 rubles, silver coins 162,900,000 rubles, bronze and copper coins, and small change tokens 11,900,000 rubles.

### Soviet Federal Budget for 1927-28

The preliminary budget estimate for the fiscal year 1927-28 provides for an aggregate amount of 5,375,000,000 rubles (\$2,768,000,000) revenues and an equal amount of expenditures, the latter including a special reserve of 100,000,000 rubles (\$51,500,000). This amount exceeds the budget for the current fiscal year 1926-27 (beginning October 1, 1926) by 7.5 per cent. Revenues derived from taxation will amount to 2,474,400,000 rubles, as against 2,333,600,000 rubles in 1926-27, an increase of 6 per cent; the revenues from transport will amount to 1,625,000,000 rubles, those from the postal and telegraph system, 173,000,-000 rubles; from other sources, 734,400,000 rubles, and from loans, 365,000,000 rubles.

## American-Soviet Trade

**T**HE following statement on American-Soviet trade was issued in August by the Amtorg Trading Corporation of New York, which represents here the principal Soviet trading organizations:

"During the past month there has been a significant increase in the value of purchases in the United States for shipment to the Soviet Union. It can now be said that this accelerated pace promises to continue.

"The volume of Amtorg's orders placed with American concerns in July broke all monthly records by over 50 per cent. These orders amounted to upwards of \$4,600,000 for the month. The former high figure was about \$3,000,000 for May. Orders placed during July, 1926, amounted to \$1,400,000.

"Taking the monthly average of purchases here during the period October-March, the first half of the current Soviet fiscal year, at 100, the monthly average of the succeeding quarter, April-June, was 149 and of July, 267. This gives an indication of the rapid gain.

"Orders placed by Amtorg with American manufacturers during the first ten months of the current Soviet fiscal year amount to \$22,700,000. The projected purchasing program for the entire fiscal year has already been surpassed by \$2,700,000. In addition, orders now in sight, to be consummated in the United States during the next few months, under suitable market conditions, aggregate \$11,000,000.

"The above figures do not include cotton, the principal item of the American export list to the Soviet Union. Cotton purchases during the past season effected by the All-Russian Textile Syndicate of 120 Broadway, were about \$45,000,000.

"It is worthy of note that the great bulk of Soviet orders here are for production goods rather than consumption goods—that is, for machinery, equipment, raw material. This is significant of the upbuilding and constructive process in the Soviet Union.

"Probably few Americans, in considering the Soviet market, realize the extent of this upbuilding and the large consequent increase in individual consuming capacity since the war. Before the war the per capita consumption of wheat was 4.1 bushels, now it is 4.8 bushels. Similarly, the per capita consumption of milk has risen from 357.4 to 411.5 lbs.; eggs, 32 to 51; sugar, 8.8 pounds to 12.8; tea, 3 ounces to 5.5. An increased demand for manufactured goods is also making itself evident in the Soviet Union. Per capita consumption of cotton fabrics, for instance, rose from 9.8 meters to 14.5 meters.

"During the past ten months some 75 Soviet technicians and industrial executives have visited the United States to familiarize themselves at first hand with American productive methods. These men represent some of the largest economic organizations of the Soviet Union, including the Azneft oil trust, the Grozneft oil trust, the Don Basin coal trust, the Chemical trust, the Dnieper hydroelectric development and the Supreme Economic Council. Such visitors are in a real sense permanent business-builders of a high order."

## American Exports to the U. S. S. R.

American exports to the Soviet Union for the first six months of the current calendar year, ending June 30, amounted to \$37,327,620, according to reports published by the American-Soviet trading organizations. The figure compares with exports of \$25,962,982 for the same period of last year, an increase of 44 per cent. The gain was due largely to increased exports of American cotton as compared with last year. Exports of machinery fell off somewhat as compared with 1926.

Cotton valued at \$24,515,382 led the list of exports. Other exports included metals, \$3,502,354; tractors and parts, \$3,415,005; other agricultural machinery, \$1,450,633; industrial machinery, about \$2,500,000; binder twine, \$757,992. Included in the industrial machinery were oil well equipment valued at \$606,133 and electrical equipment valued at \$338,675. Exports of automobiles and trucks amounted to \$308,030.

The trading organizations reporting, all with offices in New York, gave their exports for the period as follows: All-Russian Textile Syndicate, \$24,536,357; Amtorg Trading Corporation, \$10,992,577; Selskosojus, \$1,476,850; Centrosoyus, \$321,836.

## American Tractors in the U. S. S. R.

Products of over a score of American manufacturers of tractors and tractor implements will participate in the International Tractor Tests to be held in the Soviet Union during August and September.

The tests will be held in the Northern Caucasus. Both field and laboratory tests will be made to determine the types of machine best suited to conditions in the Soviet Union. Tractors will also be tested for highway construction. The American equipment will compete with machines sent from Germany, Czechoslovakia, Sweden and other countries. The American tractors and tractor implements have been shipped by the Amtorg.

American machines to be shown come from the following: Yuba Manufacturing Co., Caterpillar Tractor Co., Monarch Tractor Co., Emerson-Brantingham Co., Allis-Chalmers Mfg. Co., International Harvester, Cleveland Tractor Co.,

Ford Motor Co., Advance-Rumely Co., Moline Plow Co., Galion Iron Works, Case Threshing Machine Co., Roderick Lean Co., Killefer Mfg. Co., Western Wheeled Scraper Co., Pickering Governor Co., Kingston Governor Co., Detroit Harvester Co., La Crosse Plow Co., Cleaner Combining Harvester Company.

Last summer six American firms exhibited tractors at the Tiflis Exposition. Up to three years ago the tractor was a novelty in the Soviet Union, but now about 30,000 are in use, mostly of American manufacture.

This year's tests are held under official auspices and as a result standard tractors and tractor implements such as plows, drills, threshers, harrows, etc., will be chosen for import.

## The Soviet Oil Controversy

THE Soviet Naphtha Syndicate, through its vice-chairman M. E. Kalnin, and its American representative, the Amtorg Trading Corporation, concluded an agreement in June with the Standard Oil Company of New York for the sale of 500,000 long-tons of fuel oil, over a period of five years, to be used for bunkering purposes in the Near Eastern markets. At the same time the Naphtha Syndicate gave the Vacuum Oil Company an option for the prolongation of its two-year Egyptian contract for three additional years. The contract with the Vacuum Company, signed in May, 1926, calls for the sale to the Vacuum Company of 62,000 tons yearly.

In December last the Naphtha Syndicate signed a contract with the Standard Oil Company of New York for the sale of 500,000 tons of kerosene over a period of three years. The contract involved the construction by the purchaser of a kerosene treating plant at Baku.

On July 20 a statement appeared in the press from the Standard Oil Company of New Jersey stating that it had purchased no oil from the Naphtha Syndicate. According to the statement this corporation took the view that it would not purchase oil from the Naphtha Syndicate "without assurances that claims of the rightful owners of the properties would be met." The corporation, according to the statement, asserted that it "took the position that if it participated in the sale of Russian oil, a part of the proceeds therefrom should be allocated to the indemnification of former owners." To this proviso, according to the statement, the Soviet Government was unwilling to agree.

In the press of July 22, Mr. George P. Whaley, President of the Vacuum Oil Company, stated that "it is only common sense to recognize that the Soviet Union is the economic source of supply for certain markets. An opportunity given to

Russia to dispose of some of its surplus in its natural markets will avoid such surplus being forced into competition with American products in markets where transportation costs are in favor of the United States."

Sir Henri Deterding, head of the Shell group (British) was quoted in several statements to the effect that he considered it improper to purchase Soviet oil and such purchases were "against the interests of humanity and general trade honesty." He further stated that the inhabitants of the Soviet Union "were crying out for fuel and kerosene" and there was a serious shortage of kerosene in Moscow and other Soviet cities.

Mr. Saul G. Bron, Chairman of the Board of Amtorg, pointed out that Sir Henri and associates had made several efforts to secure a monopoly of Soviet oil exports. They had also purchased Soviet oil at a time when production was much smaller than at present. Negotiations for the marketing of Soviet oil, conducted between the Naphtha Syndicate and foreign oil distributors, including the Shell and the Standard of New Jersey, over many months, broke down last January after a formula for compensation had been found that satisfied all parties. The break came over the insistence of Sir Henri Deterding that the Syndicate give foreign firms a monopoly over Soviet oil exports and agree to a strict limitation on exports of crude oil. To this the Naphtha Syndicate could not agree.

Mr. Bron also issued the following formal statement on the status of the Soviet oil industry and the internal market in the Soviet Union in reply to Sir Deterding's repeated assertions that there is a shortage of oil products in the U. S. S. R.:

"Sir Henri Deterding, in a new statement, attempts to present some statistical data to prove his previous declarations that Soviet oil export 'is maintained at the expense of curtailing the requirements of the population of Russia.' The figures of Sir Henri Deterding are not only faulty in themselves, but are compiled in such a manner as to present a decidedly perverted picture of the oil situation in the Soviet Union. Sir Henri Deterding's statistical method consists of comparing the yearly average for three pre-war years, when production was stable, with the average for the years 1923-24, 1924-25, and 1925-26, during which oil production in the Soviet Union grew by leaps and bounds. This method obviously gives a wrong picture of the position of the oil industry during the last of these years. As a matter of fact, the quantity of kerosene and lamp oil made available for internal consumption in 1925-26 was 1,421,499 metric tons, a large increase, and not a decline, as compared with Deterding's pre-war figures.

"Production and exports for 1911, 1912, and 1913 were as follows (in metric tons):

*Oil Production and Exports for 1911-13*

	<i>Kerosene and lamp oil</i>	<i>Liquid fuel</i>	<i>Other products</i>	<i>Total</i>
<b>1911</b>				
Production .....	1,558,300	5,028,000	1,543,300	8,129,600
Exports .....	449,000	85,200	290,900	825,100
Available for Internal Consumption .....	1,109,300	4,942,800	1,252,400	7,304,500
<b>1912</b>				
Production .....	1,586,300	4,180,000	1,686,400	7,452,700
Exports .....	396,600	56,300	386,200	839,100
Available for Internal Consumption .....	1,189,700	4,123,700	1,300,200	6,613,600
<b>1913</b>				
Production .....	1,562,200	4,126,000	1,822,300	7,510,500
Exports .....	440,000	116,800	390,900	947,700
Available for Internal Consumption .....	1,122,200	4,009,200	1,431,400	6,562,800

"The above official statistics are different from those presented by Sir Deterding. Not only are Deterding's figures inaccurate, but, what is much more important, they do not take into account the decrease in the territory and population of Russia since the war. The pre-war figures refer to the territory of the former Russian Empire. However, the present Soviet Union population is nearly 20 per cent smaller than the population of the Russian Empire in 1913. The share of Russian kerosene production consumed before the war by the now seceded territories was probably even larger than the 20 per cent, since those territories were of an industrial and urban character. In order to make possible a fair comparison with the present situation in the Soviet Union, the pre-war figures should therefore be reduced by at least 20 per cent. The resultant figure, showing the average quantity of kerosene and lamp oil available for home use in 1911, 1912, and 1913 is less than 900,000 metric tons.

"Production, exports, and the quantity of oil products made available for internal consumption for the years 1924-25 and 1925-26 are given by the Chief Statistical Administration of the Soviet Union as follows (in metric tons):

*Oil Production and Exports 1924-25 and 1925-26*

	<i>Kerosene and lamp oil</i>	<i>Liquid fuel</i>	<i>Other products</i>	<i>Total</i>
<b>1924-25</b>				
Production .....	1,427,700	3,068,900	2,496,600	6,993,200
Exports .....	452,578	899,032	519,430	1,371,040
Available for Internal Consumption .....	975,122	2,669,868	1,977,170	5,622,160
<b>1925-26</b>				
Production .....	1,860,700	3,754,900	2,628,600	8,244,200
Exports .....	489,201	858,554	675,656	1,473,211
Available for Internal Consumption .....	1,421,499	3,896,346	1,952,944	6,770,989

"The above table shows the quantities of kerosene and lamp oil made available for internal consumption during 1924-25 and 1925-26 as 975,122 and 1,421,499 metric tons, respectively. Both figures exceed the pre-war average, the latter by as much as 60 per cent.

"It must be stated that while during 1924-25 and 1925-26 total oil production in the Soviet Union was still below the pre-war level, during the present year oil output is running higher than before the war. Therefore, Sir Henri Deterding's concern for the Russian consumer of oil at the present time will be even less appreciated than before.

"The statement that the Soviet Union would need to import oil from abroad in order to maintain its pre-war level of oil consumption, when made in the face of production greater than ever before, of lesser requirements on account of a decrease in population and, incidentally, in the face of a gain of about 150 per cent in the production of electric current, is obviously misleading.

"Sir Henri Deterding takes great pleasure in mentioning an official Moscow newspaper in support of his claim regarding a shortage of kerosene in the Soviet Union. The item in the *Economic Life* is shown, upon analysis, to refer principally to the shortage of salt brought about by certain difficulties in the distribution system. Regarding kerosene, it states that 'kerosene is not being sold on the Moscow bazaars on account of the fire hazard. However, in local stores it is being sold without any increase in price.' No special committee to investigate the causes of the shortage was created. What actually took place was that the Moscow Trade Department was urged to make an investigation of the quantity of kerosene on hand and of the compliance with standard prices in village stores.

"It is perfectly obvious from the above that Sir Deterding's so-called 'shortage of kerosene' refers to certain local and temporary breaks in the distribution of kerosene in village stores around Moscow, and not to any permanent shortage of kerosene caused by excessive exports, as Sir Henri Deterding is at pains to show.

"In conclusion it is only proper to state that, whatever Mr. Deterding may say, the Soviet Union is in a position, in virtue of its tremendous oil resources and large investments in the industry to continue increasing both the exports and the internal consumption of oil products."

## PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU

The Agrarian Revolution in Russia.....	25c
The Financial Policies of Russia.....	25c
New Constitution of the Soviet Union.....	15c
Patent Law of the U.S.S.R.....	15c
Commercial Handbook of the U.S.S.R. for 1927..	30c

## Composition of the Red Army

THE composition of the Red Army has undergone some changes in the course of the last few years. While in 1923 workers constituted 16.2 per cent, peasants 70.4 per cent, and other groups 13.4 per cent of the total, in 1926 the proportion was as follows: workers 18.1 per cent, peasants 71.3 per cent, and other groups 10.6 per cent. Over 30 per cent of the soldiers belong either to the Communist Party (as members or applicants on probation) or to the Communist Youth Society.

As regards the composition of the officers' corps, the following changes have occurred since 1924: In 1924, 16 per cent of the officers came from workers' families, 50.2 per cent were of peasant origin, while 33.8 belonged to other groups. In 1926 the percentage of officers coming from workers' families remained the same, that of officers of peasant origin rose to 57.2 per cent, while the percentage falling to the share of other groups was reduced to 26.8. In 1920 only 10.5 per cent of the officers' corps belonged to the Communist party; in 1926 that percentage had increased to 47.4 per cent.

The following data show the growth of the cultural and educational activity in the Army: In 1926 the number of schools in all branches of the Army amounted to 6,122 with an attendance of 166,012 students. The number of clubs was 757, of educational "red" corners 5,348, of educational groups 11,158 with 203,000 participants, libraries 1,690 with 429,000 readers, i. e., practically the whole of the Red Army which comprises 562,000 men. The above figures show to what an extent the Army has been permeated by a whole system of educational organizations, and what tremendous activity is being carried on for the political and cultural education of the Red Army soldiers.

Great progress has been achieved last year with regard to the material side of the life of the Red Army. The following data refer to the feeding of the Army and to the salaries of its officers: During the fiscal year 1924-25, 3,099 calories represented the daily food standard of a soldier; during the following year that standard had risen to 3,136 calories, and during the current fiscal year 1926-27 it amounts to 3,242 calories. In the near future the food standard is to be brought up to 3,600 calories. Of interest are also the data concerning the salaries of the officers. While in 1923 the salary of the commander of a platoon amounted to 37 rubles, in 1926 his salary was 88 rubles; the salary of the commander of a company has risen from 52 to 108 rubles; that of the commander of a regiment, from 72 to 170 rubles, and that of division commander from 112 to 185 rubles. It must be pointed out that these im-

provements have been achieved in spite of the fact that the appropriations for the Red Army show a relative decrease, if compared with the increase of the federal budget as a whole. While during the fiscal year 1923-24 (beginning October 1) the appropriations for national defense constituted 18 per cent of the total budget, in 1925-26 they constituted 14½ per cent, and in 1926-27, 13.7 per cent.

Great progress was also achieved last year in the Army in the field of economic management and efficient administration, the struggle against red tape in the various branches of the military administration showing notable success.

## The Non-Russian Detachments of the Red Army

During the Civil War the Red Army comprised a number of non-Russian sections, such as the battalions of the Lettish sharpshooters, cavalry troops consisting of Ingushes, Chechens and Ossetians (North Caucasian tribes), detachments of Ukrainian workers and peasants, etc.

After the conclusion of the Civil War the Red Army began to build up regular units drawn from the various non-Russian nationalities. The task was very difficult because the working masses of many non-Russian nationalities had never served in the Tsarist army, and did not have any idea about military service. Some of these nationalities, such as the Uzbeks in Central Asia, until recently considered military service as a punishment. On the other hand the most advanced elements of the various non-Russian villages were so anxious to join the Red Army that the latter was not in a position to admit all the applicants. For this reason simultaneously with the organization of the non-Russian detachments of the Army military training of persons under conscript age was started last year. The trial proved successful and in the Yakut as well as in the Turkoman and the Uzbek Republics the preparatory military training of persons of pre-conscript age showed good results. In the course of this year universal preparatory military training of persons under conscript age has been started in these republics. Letters from youths of pre-conscript age who are natives of the Uzbek and the Azerbaijan Republics referring to their success in military training, testify to their gratitude to the Government for granting them the same right as all the other nationalities.

The condition of the non-Russian detachments of the Red Army is improving from year to year. They are drilled in their own language, some of them wear their own national uniform (the North Caucasian nationalities), they are studying their own culture, etc. Thus the non-Russian sections of the Red Army are becoming a powerful cultural factor.

Special military schools have been created to train officers for the non-Russian detachments. One of these schools—for the North Caucasian mountaineers of various nationalities—is unable to admit even one-tenth of the applicants who would like to become Red officers. In the course of two years the formerly semi-illiterate mountaineers have become well-disciplined military students with a good understanding of military matters.

## Foreign Relations of the U. S. S. R.

ON June 11, 1927, the following note, signed by Mr. M. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, was delivered to Mr. S. Patek, Envoy Extraordinary and Minister Plenipotentiary of the Polish Republic in Moscow:

I acknowledge the receipt of your note of June 9, 1927, No. 1552/27, and have the honor to ask you to transmit the following to your Government:

It is with satisfaction that the Government of the Soviet Union takes cognizance of the expression of regret on the part of the Polish Government concerning the assassination, in Warsaw, of P. L. Voikov, Plenipotentiary Representative of the Union of Soviet Socialist Republics.

The Government of the Soviet Union also notes with particular satisfaction the communication concerning the indignation and categorical condemnation of that criminal act both on the part of the Polish Government and of Polish public opinion.

The Government of the Soviet Union also notes with gratification the statement of the Polish Government relative to its readiness to allow a compensation to the family of P. L. Voikov, and it considers it as a manifestation of good will and as an act deriving from the circumstances of the case and in keeping with international usage in similar cases; but while it takes cognizance of this statement of the Polish Government, it nevertheless does not consider it possible to avail itself of the offer, as it deems it the duty of the Soviet Government to provide for the family of its representative who died on his post.

The Government of the Soviet Union cannot, however, agree with the estimate of the event of June 7, as given by the Polish Government in your last note, and is forced, today to a still greater degree than at the time of the dispatching of my note of June 7, to consider the assassination of its representative in Warsaw not as an individual act of a madman, but as one of the manifestations of a systematic and organized campaign against the Soviet Union on the part of the dark forces of international reaction and

the enemies of peace. The events enumerated in my note of June 7, and in particular the systematically prepared rupture of diplomatic relations with the Union of Soviet Socialist Republics on the part of the present Government of Great Britain, have set loose those dark forces, in particular the counter-revolutionary and terrorist organizations of the Russian émigrés, who, speculating upon the tension of the international situation, are making their utmost efforts to assist militant imperialism in provoking complications between the Union of Soviet Socialist Republics and other countries, and to involve their peoples into a bloody carnage in the false hope thereby to reestablish the Tsarist-imperialist regime and to recover for themselves the privileges which they lost as a result of the Revolution.

The crime of June 7 has, therefore, a much greater significance than an isolated individual act, and constitutes in itself a menace to the peaceful, normal relations between the two countries, for the consolidation and development of which relations a systematic activity was being carried on by the Soviet Government, and particularly by P. L. Voikov, its late representative in Warsaw, as was justly pointed out by the Polish Government in your note of June 9. The Government of the Soviet Union is gratified to see that the Polish Government recognizes the fact that the relations between the two countries have improved, and, on its part, considers the mutual inclination towards the consolidation and development of good-neighborly relations as an essential factor for bringing about general peace, particularly in the present tense international situation which has arisen in spite of the fact that the Soviet Union continuously manifested and on several occasions gave proof of its desire for peace.

It is, however, with all the greater regret that the Government of the Soviet Union is nevertheless obliged to point out that up to the present the Polish Government did not pay due attention to the obstacle standing in the way of a favorable development of relations between the two countries, which consist in the toleration manifested by the Polish authorities with regard to various terrorist organizations operating on the territory of the Polish Republic against the Government of the Soviet Union.

The Government of the Soviet Union cannot agree with your statement that the Polish Government was always opposing and never permitted the carrying on, on Polish territory, of any systematic activity against the Soviet Union. The Government of the Soviet Union is in possession of abundant material illustrating the tolerance, and in some cases, even the direct assistance shown by Polish authorities to organizations and

individuals, conducting, systematically or otherwise, an active struggle against the Soviet Government through the organization of terrorism or bandit raids upon the territory of the Union of Soviet Socialist Republics. In the near future the People's Commissariat for Foreign Affairs will take the liberty of submitting to you some material referring to this question.

In your note, the circumstance was stressed that in reality the assassin of the Plenipotentiary Representative of the U. S. S. R. in Warsaw is a person of non-Polish nationality. It has, however, been established that the assassin is a Polish citizen, son of a well-known counter-revolutionary who had accepted Polish citizenship after his departure from the Union of Soviet Socialist Republics. The admission of such elements to citizenship, which doubtless facilitates their activities against the Soviet Union, imposes upon the Polish Government an additional responsibility for this activity. Unfortunately, this is not an isolated case. Particularly flagrant is the case of the well-known counter-revolutionary Bulak-Balak-hovitch who, in accordance with a protocol signed on September 30, 1921, by representatives of the Government of the Soviet Union and of Poland, should have been expelled from the territory of the Polish Republic not later than October 20 of the same year, but has nevertheless obtained Polish citizenship, has remained in Poland, and was even several times officially received by higher representatives of the Polish Government, as was repeatedly reported in the Polish press.

The Government of the Soviet Union cannot agree with the Polish Government's refusal to assume responsibility for the murder on the ground that the late P. L. Voikov had rejected the personal protection that was offered him. Given the presence on Polish territory of persons and organizations aiming at an active struggle against the Soviet Union and its representatives, the protection of these representatives is obviously an unsatisfactory measure which can not serve its purpose. The proper Polish authorities should have directed their attention and efforts towards putting a stop to the criminal activities of the above mentioned individuals and organizations and towards unceasing surveillance over them. The Polish Government has long been aware of the fact that the organizations hostile to the U. S. S. R. intended to make an attempt at the life of its representative in Warsaw. It was the Polish Government itself which through Mr. Lukasiewicz, Director of the Political Department of the Ministry of Foreign Affairs, apprized the Soviet Mission of this fact, on November 2, 1924, i. e., the next day after P. L. Voikov's arrival in Warsaw. And it was as far back as that time that the Government of the U. S. S. R., in a memorandum handed by Mr. Besedovsky,

Councillor of the Soviet Mission, to the Vice-Minister Morawski on November 3, 1924, and in a note handed by the People's Commissariat for Foreign Affairs to the Polish Chargé d'Affaires in Moscow on November 4, 1924, declared that the real safety of the Representative of the Union of Soviet Socialist Republics and the protection of the activity of the Soviet Mission in Warsaw could be attained only if the Polish Government, by carrying out Section 5 of the Riga Treaty, would forbid the further sojourn on Polish territory of organizations and individuals whose activities are directed against the Soviet Union and its representatives. Unfortunately the Polish Government had not adopted the necessary measures, and as a result, a situation was created which led to an unheard of crime—the murder of the Envoy of the Union of Soviet Socialist Republics in Poland.

The crime of June 7 has called forth a deep indignation among the peoples of the Soviet Union. It would be in the interest of peace and of good relations between the two countries to prevent its leaving deep traces in the consciousness of the peoples of the Union of Soviet Socialist Republics. The Government of the Soviet Union hopes that the Polish Government, in order to prove by deeds its desire of consolidating the peaceful relations, as expressed in its note of June 9, will not delay in complying with the elementary demands of the Union of Soviet Socialist Republics, called forth by the circumstances of the case, and will thus help to remove the unfavorable influence exerted upon these relations by the unheard of crime of June 7.

In keeping with the above and taking into consideration the regret, the indignation and the categorical condemnation of the crime of June 7, as expressed by the Polish Government, the Government of the Soviet Union expects:

1. That the Polish Government will take all the necessary steps for a thorough investigation of the case, for detecting all the guilty persons and for uncovering all the threads leading to the crime, as well as for the quick and severe punishment of the guilty, in particular of the direct perpetrator of the assassination.

2. That the Polish Government, in accordance with the preliminary negotiations of Mr. Ulianov, temporary Chargé d'Affaires of the Union of Soviet Socialist Republics in Warsaw with representatives of the Polish Ministry of Foreign Affairs shall permit Mr. Ulianov or another Plenipotentiary Representative of the Government of the Soviet Union to participate in the investigation of the criminal case, and

3. That the Polish Government shall, at last, adopt immediate and energetical measures for the liquidation of the activities of terrorist and bandit organizations and persons on Polish territory di-

rected against the Soviet Union and its representatives, and that it shall expel the persons engaged in such activities from the territory of the Polish Republic. The Government of the Soviet Union expects that the Polish Government will, without delay, notify it to that effect.

The Government of the Soviet Union believes that under the present circumstances, the consequences of the tragical murder in Warsaw can in reality be removed not by formal statements, but only as a result of actual measures on the part of the Polish Government with regard to the White-bandit terrorist organizations. Proceeding from this point of view the Government of the Soviet Union is forced to insist upon the carrying out of the above mentioned elementary demands.

M. LITVINOV.

#### Soviet Note to Finland

On June 18, 1927, Mr. P. Artti, Finnish Envoy in Moscow, lodged a note with the Soviet Government protesting against the execution of Colonel Elvengren who had been convicted, together with a number of other counter-revolutionists, on account of his terrorist activities directed against the Soviet Government. In reply to that note Mr. Litvinov, Assistant Commissar for Foreign Affairs of the Soviet Union, addressed the following note to the Finnish Envoy, under date of June 21, 1927:

I acknowledge the receipt of your note of the 18th inst., No. 964, and I take the liberty of reminding you that, with reference to the Elvengren affair alluded to therein, Mr. Stomoniakov, Member of the Collegium of the People's Commissariat for Foreign Affairs, has explained to you orally that the aforesaid Elvengren entered the U. S. S. R. illegally on a Rumanian passport; that during the examination by the investigating authorities for the purpose of establishing his identity, he called himself a "Russian émigré with no definite citizenship," that during the hearings he never referred to his Finnish citizenship, and that neither orally nor in writing did he ever express the desire of applying for protection to the Finnish Mission. It is entirely incontestable that the investigating authorities could not proceed from considerations concerning the national origin of the criminal, but had to proceed from the available data concerning his citizenship. In the files of Elvengren's case in general and in his depositions in particular, there were no data about his Finnish citizenship. Moreover, his entire activity, connected as it was with the Russian monarchist spheres which decidedly opposed the independent existence of Finland, spoke against such a supposition. Although, as a matter of courtesy, Mr. Stomoniakov had shown you the aforesaid Rumanian passport and the minutes of the examination in question, you were at that time informed orally that the People's Commis-

sariat for Foreign Affairs did not deem it possible to engage in a further discussion with the Finnish Mission concerning the Elvengren affair.

Considering, on the above grounds, that after the explanations given to you, the Elvengren affair should not have become the subject of a diplomatic correspondence between the U. S. S. R. and Finland; and considering on its part the correspondence on that subject as concluded by the present note, the Government of the Soviet Union, proceeding from its endeavor to preserve unaffected the goodneighborly relations between the two countries, does not see any basis for engaging in a discussion of the question of administration of justice in the so-called civilized countries.\*

I cannot, however, help expressing my astonishment on account of the fact that the Finnish Government found it necessary to intervene in the case of a man who did not consider himself a Finnish citizen, having set as the aim of all his strivings the destructive activity against a country entertaining friendly relations with Finland, the organization of terrorist acts against the representatives of that country, and the reestablishment of the very same Tsarist regime which in the course of almost a century had been oppressing the Finnish people and their culture, and whose final destruction by the October Revolution has laid the foundation for the independence of the Finnish State.

M. LITVINOV.

#### Tchitcherin's Statement on Anglo-Soviet Relations

In a conversation with representatives of the press, Mr. G. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, made the following statement on August 4:

"You are interested to know what is the significance of the fuss raised in the foreign press in connection with proposals allegedly made to the Soviet Government on the part of England concerning the resumption of diplomatic relations between the U. S. S. R. and Great Britain. As a matter of fact, the Soviet Government did not get any proposals. As regards the speech delivered by Sir Austen Chamberlain on July 28 in the House of Commons, it consists first of all of the usual attacks against the Soviet Government which were to justify before public opinion of Great Britain those inadmissible steps which the English Conservative Government has undertaken with regard to the Soviet Union (the raid in Peking, the Arcos raid, the slanderous story concerning the "document," the breaking off of diplomatic relations, etc.). Moreover, that speech of Sir Austen Chamberlain contains a passage obviously misleading both the masses of England

\* It was claimed in the Finnish note that "the measure adopted in the Elvengren case was in contradiction with the principles of administration of justice in the civilized countries."

and her so-called "business spheres," namely, the passage concerning trade with the U. S. S. R. Sir Austen Chamberlain assumes that after the breaking off of diplomatic relations and with absolutely no guaranty as to the integrity and safety of Soviet property in England, trade may be carried on just as before. This is, of course, to put it mildly, a gross error. It must not be forgotten that the rupture of diplomatic relations and the termination of the trade agreement occurred upon the initiative of the English Government. I must declare that up to the present we have not received from anybody any official or semi-official proposals concerning the resumption of relations with the English Government. It goes without saying that should the English Government really make proposals concerning the resumption of diplomatic relations, the Soviet Government would be ready at any moment to undertake negotiations to that effect and would insist upon obtaining guaranties that such inadmissible acts as the Arcos raid, etc., would not occur in the future.

The Soviet Government is ready to undertake any real step that would further the cause of peace because peace is in the interests of the great masses of the working people of the U. S. S. R. and of Great Britain."

#### Changes in Soviet Diplomatic Service

Mr. S. S. Alexandrovsky was nominated Plenipotentiary Representative of the Soviet Union in Finland.

Mr. K. K. Yureniev was relieved of his duties as Plenipotentiary Representative of the Soviet Union in Persia, and Mr. J. Ch. Davtian was appointed in his stead.

### Book Reviews

"BOLSHEVIST RUSSIA," by Anton Karlgren, Professor of Slav at the University of Copenhagen. Translated from the Swedish by Anna Barwell. Macmillan.

Professor Karlgren is one of those visitors to the Soviet Union who resolutely kept his eyes closed and thought of the good old days of the Tsars. "We no longer recognize the Russian nation with its particularly sunny temperament of earlier days," he exclaims. "Then a purely carnival feeling prevailed amongst gay crowds as playful as children . . . now low voiced, serious pedestrians wearily walking along and talking in undertones."

The Soviet Union, according to the professor, is a thoroughly desolate country. Industry has made some progress, but only as compared with the years of civil upheaval, and the writer has no faith in Soviet statistics anyway. Professor Karlgren makes a study of no specific industry to

prove his case. He refers only to one industry, the iron and steel industry, which because of destruction during the war period has been the slowest to recover. Production in this industry, he states, is only 8 per cent of pre-war. For the year he cites, 1924-25, production in the iron and steel industry was really 38 per cent of pre-war and last year it was 61 per cent.

Professor Karlgren, in fact, takes extraordinary liberties with statistics. In 1924, he says, there were only 49,000 primary schools in the Soviet Union as compared with 62,000 in 1916. In fact there were 86,701 primary schools during the school year 1924-25, and the number increased to 95,558 last year. He says that in 1924-25 there were 80 higher educational establishments with 100,000 students. There were really 158 such establishments with 165,268 students.

Professor Karlgren gives his reader the impression that agriculture is dying a slow death in the Soviet Union. Yet last year's crop equalled that of the pre-war years in the same territory. He makes a particular point about a shortage of horses, intimating that nearly half of the farmers now possess none. In fact, the number of horses, which was greatly diminished by the wars, is now 80 per cent of that of 1913, and it has increased over 25 per cent during the past three years. Professor Karlgren avoids all mention of tractors. The fact that there are today twenty times the number of tractors in use in 1913 does not interest him.

His description of the treatment of scientists in the Soviet Union reaches grotesque heights of invention. Scientists, he says, "are kept in semi-imprisonment." They are "completely isolated from Western Europe," they may not visit other countries, no scientific literature from abroad is allowed to reach them. Each of these statements would apply literally to Russian science under the blight of Tsarism. Each is directly the opposite of conditions that obtain today. The volume is of merely pathological interest.

"THERE'S NOT A BATHING SUIT IN RUSSIA," by Will Rogers. Albert and Charles Boni.

Mr. Rogers has become a sort of unofficial court jester to the people of the United States and is probably the most widely-read publicist in the country. His humorous survey of the Soviet Union is highly entertaining in so far as Mr. Rogers is describing things he saw. When he tries to make fun on the basis of information received second-hand he is not so successful, and when he assumes the role of uplifter and lectures the country on the way it should go in certain matters, he is very unsuccessful indeed. It is to be hoped that the Mayor of Beverly Hills will pay another and longer visit to the country some time when he is flying over Europe.

## Miscellaneous News

### Death of M. P. Pavlovitch

On June 19, 1927, the Soviet Union suffered a great loss in the death of Michael P. Pavlovitch (Weltman), one of the most prominent students of the Orient. He was Chairman of the All-Union Oriental Society, Chairman of the Board of the Eastern Chamber of Commerce, and Rector of the Moscow Oriental Institute. He was born in Odessa in 1871.

### Preliminary Figures of the All-Union Census

The Central Statistical Department of the Soviet Union has given out the following figures concerning the total population of the Soviet Union and of its constituent parts, these figures being based upon the data of the general census which took place in December, 1926:

In round figures the population of the Soviet Union is 146,200,000. The figures for the six constituent republics are as follows: Russian Socialist Federal Soviet Republic (R. S. F. S. R.), 100,500,000; Ukrainian Soviet Socialist Republic, 28,900,000; White Russian Soviet Socialist Republic, 4,900,000; Transcaucasian Socialist Soviet Federation (composed of Armenia, Azerbaijan and Georgia), 5,800,000; Uzbek Soviet Socialist Republic (in Soviet Central Asia), 5,100,000, and Turkoman Soviet Socialist Republic (in Soviet Central Asia), 1,000,000.

In the course of the last thirty years (since 1897) the population of the Far Eastern Region (the eastern part of Siberia, on the Pacific coast) increased by 164 per cent, Siberia proper by 140 per cent, Northern Caucasus 58 per cent. The unusual growth of these regions is to be explained chiefly by the influx of large numbers of settlers coming from overpopulated sections of various constituent republics.

The total number of the urban population is 26 millions in round figures, the average annual growth of the city population amounting to 6 per cent, while that of the population of the entire U. S. S. R. amounts to not more than 2¼ per cent.

### Transfer of Capitals of Kazak Republic and of Kara Kalpak Area

The administrative center of the Kazak Autonomous Socialist Soviet Republic (formerly Kirghiz Republic) in Central Asia, has been transferred from Kzyl Orda (formerly Ak-Mechet or Perovsk) to Alma-Ata (formerly Vyerny).

The administrative center of the Kara-Kalpak Autonomous Area (in Soviet Central Asia) has been transferred from Turtkul to Chimbai.

### Soviet Sea and Air Expedition to Wrangel Island

The Moscow "Pravda" of July 30, 1927, contains a report on a successful expedition to the Wrangel Island which had recently been settled by Soviet citizens. The island is situated in the Arctic Ocean, northwest of Chukchi Peninsula—the extreme northeastern corner of the Siberian mainland. The Soviet steamer "Kolyma" which on July 11, 1927, had entered Kolyuchin Bay on Chukchi Peninsula, reached Cape Severny Mys four days later having drifted for three days in the ice of the bay. On July 15 the two airplanes on board of the boat were assembled and attempts were made to reach the island by air. The first airplane had to return after four hours, having failed to find the island due to some disturbance of the compass. On July 16 the other airplane reached the island, and was joined the same day by the first plane. The pilot Koshelev, who arrived at the island first, stayed there for two days. When he landed he was triumphantly received by the settlers—Russians and Eskimos. All the settlers were in good health and of good cheer. No one of them wanted to go back to the continent. During the year, 168 Arctic foxes, 35 bears and many walruses were bagged. The scarce result of the hunting campaign was due to frequent rains and fogs. The airplanes returned to the steamer with 108 pounds of furskins and mail. After some difficulties the steamer reached the mouth of the Kolyma River on July 21. The steamer continued its exploration trip to the mouth of the Lena River which is 700 miles distant, and expected to reach it by August 1.

### Esperanto in the Soviet Union

The All-Union Association of Friends of an International Language has been actively engaged for a number of years in publishing its literature. It issues a monthly "Bulletin" and a magazine entitled "International Language," and it has published a number of text books and dictionaries as well as reading matter in Esperanto.

In the course of last year Soviet Esperantists succeeded in establishing connections with foreign countries and at present about 50 newspapers and not less than 500 poster newspapers are served more or less regularly by foreign Esperantist correspondents. Some of the newspapers, especially in the provinces, have Esperantist correspondents in all countries of the world. Sometimes entire sections of these papers consist of contributions of their Esperantist correspondents, or are devoted to the Esperantist movement.

The Soviet Postal Department has long been publishing stamps, postal cards and envelopes with parallel Esperanto and Russian texts. At

present a number of broadcasting stations of the Postal and Telegraph Department of the U. S. S. R. (in Moscow, Kharkov and Minsk), have authorized local Esperanto societies once weekly to broadcast in Esperanto, to be heard in foreign countries, about the cultural and economic life of the Soviet Republics.

On July 23, 1927, the Moscow Post Office issued a special fourteen kopeck anniversary stamp on the occasion of the fortieth anniversary of the existence of Esperanto. The stamp bears the picture of Dr. Zamenhoff, founder of Esperanto, with inscriptions in Russian and Esperanto.

#### Foreign Trade of U. S. S. R.

The foreign trade turnover of the U. S. S. R. across both Asiatic and European frontiers for the first nine months of the current fiscal year (from October 1, 1926, to June 30, 1927) amounted to 1,082,900,000 rubles (\$557,700,000). The exports amounted to 579,000,000 rubles (\$298,100,000) and the imports to 503,900,000 rubles (\$259,500,000), showing a favorable balance of 75,100,000 rubles (\$38,600,000). The corresponding figures for the first nine months of the preceding fiscal year 1925-26 were: exports, 492,400,000 rubles (\$253,600,000); imports, 584,500,000 rubles (\$301,000,000); showing an adverse balance of 92,100,000 rubles (\$47,400,000).

#### Soviet Trade with South America

Until recently the export and import operations between the U. S. S. R. and Argentina were being conducted through the Amtorg Trading Corporation of New York which had a representative in Buenos Aires. In view of the increase of the volume of trade carried on with Argentina an independent trading organization under the name of "Yuzhamtorg" was constituted in Buenos Aires. The new joint stock company will collaborate with "Kozhimport" (Leather Import Company) and "Tekstilimport" (Textile Import Company)—Soviet organizations which are interested in South American markets.

#### Foreign Trade of Soviet Cooperatives

Cooperative trade organizations of the Soviet Union had a foreign trade turnover of \$56,750,425 over the European frontiers last year. These organizations handled 9 per cent of the country's foreign trade.

Exports of the cooperatives amounted to \$31,237,570 and imports to \$25,512,855. The export figures do not include grain which is turned over by the Cooperatives to Exportkhleb, the Federal Grain Export Corporation, for foreign distribution.

#### Agricultural Progress

Crop prospects in the Soviet Union as of July showed considerable divergence in different regions, with prospects of a normal general harvest. On the whole the condition of winter crops was reported superior to that of spring crops.

The area under wheat is 4 per cent larger than last year. The area under oats in European Russia is 9 per cent larger than in 1926. The various technical cultures, cotton, sugar beets, flax, hemp and oil seeds, show increases in sown area of from 15 to 20 per cent over last year.

The Volokolamsk District of the Moscow Province has recently celebrated the complete abolition of the one-third fallow system and the successful introduction of the crop rotation system in all the localities of the district. The Soviet press marks this event as the beginning of a new era in the agricultural development of the country, 90 per cent of whose agricultural population still adheres to the antiquated system of leaving a third of the land fallow each year.

#### Sugar Beet Sowings in Ukraine

The Ukrainian Republic, which produces over two-thirds of the sugar beet crop of the Soviet Union, reports record sowings of 1,247,000 acres this year. The figure is 312,400 acres, or 32 per cent greater than the sown area of 1926. Weather conditions up to the middle of June were reported favorable, and the crops were in a markedly better condition on that date than at the same time last year. The sown area includes the acreage of individual peasants and of farms operated by the Sugar Trust.

#### Power Plant Construction in the Soviet Union

The Leningrad Electric Planning Commission has approved the plans for the construction of a new hydroelectric power plant on the Neva River, near Leningrad. The plant will have a capacity of 60,000 kilowatts and will cost \$37,000,000.

Activities are in progress at present for the extension of the Shterov power plant to a capacity of 48,000 kilowatts. The Shterov plant supplies electrical energy to the Donetz coal mines.

Construction will soon begin on a new hydroelectric plant on the Kamenka river in Soviet Armenia, to cost \$4,000,000. An order has been placed with the Leningrad Metal Works for the construction of a 20,000 kw. turbine and other equipment for the station.

A new power plant of 1,800 kw. to cost \$1,000,000 is under construction in the town of Pskov.

A new electric power plant of 1,300 kw. has been opened in the coal fields of the Kuznetz basin.

# SOVIET UNION REVIEW

Fifteen Cents

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## A Campaign of Forgeries Against the U.S.S.R. Russian "White" Officers and their Employers Druzhilovsky—Spy and Forger of Documents Indictment—Trial—Sentence Two "Documents" for American Consumption

### TABLE OF CONTENTS

	<i>Page</i>		<i>Page</i>
A Campaign of Forgeries against the U.S.S.R.	142	Ruthberg and Ruthenberg.....	149
The Indictment against Druzhilovsky:		Russian Forger and Bulgarian Diplomat.....	150
His Activities in the Baltic Countries and in Poland .....	143	The "Armed Rising".....	151
The Ruthberg-Ruthenberg Document.....	144	The British Colonel and the Sofia Explosion	151
"Documents" for French Mission in Berlin	145	In the Service of Poland.....	152
Balkan Politics .....	145	British "Jobs" .....	153
Another "American Document".....	146	The "Zinoviev Letter".....	153
Polish Uprisings and Terrorist Acts.....	146	The Westminster Abbey Plot.....	154
The Trial:		The Sentence .....	155
Druzhilovsky and His "White" Crowd.....	148	"Documents" for American Consumption .....	158
Forgeries for American Consumption.....	149	Facsimile of Forged Document.....	159

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## A Campaign of Forgeries Against the U.S.S.R.

THE emergence of the Soviet Republic from the dangers besetting her has left a great number of the most active White Guard émigrés in an unenviable position. Unwilling or unable to return to their country, and just as unwilling to engage in any tedious regular occupation, they chose a "profession" which they considered most suitable for the noble sons of the old Russian nobility and the officer caste. They became spies in the military intelligence service of various countries. In this capacity they began serving not only England and France; but also Germany and chiefly Poland and other border countries whose independence they were never willing to recognize. They had no "national prejudices." Their lack of prejudices went even so far as to permit them to serve several countries at the same time, even when their interests were opposed to each other, as in the case of Poland and Germany, or Germany and France.

Their hopes for a come-back waning, the Russian émigrés struck upon the idea of manufacturing forged "Soviet" documents for the purpose of preventing the rapprochement between the U. S. S. R. and the other countries, and if possible, of creating diplomatic incidents with all their ensuing possibilities. The idea was not new; it had worked in the past—it would work just as well now—and it did so to a great extent. For in every country there were certain influential spheres which, for some reason or other, were interested in bringing about friction between their government and the Soviet Union. These spheres eagerly bought the "documents" offered them by Russian émigrés, often conscious of their spurious character which in most of the cases could be ascertained at first sight. But they knew that the gullible public is in the habit of swallowing every bit of sensational news published by the press, and that at the time when the truth becomes generally known—if at all—the objective would have been attained anyhow.

These forged documents are usually made up by separate individuals or groups of individuals to serve specific purposes. The most celebrated

case of this sort is the well-known "Zinoviev letter" which in 1924 carried the elections for the Conservative party and caused an acrimonious exchange of notes between Great Britain and the Soviet Union. As will be seen from the material published in this issue, this "document" was written by two Russian émigrés, Belgardt and Gumannsky, who were paid eighty pounds sterling for their contribution to this important chapter of modern British history.

Another case in point was the Dosser affair which took place in 1925. Dosser, a representative of the Soviet Petroleum Syndicate, was on his way from Shanghai to Canton, when he was arrested by British authorities in Hongkong on the accusation of "propaganda." While he was under arrest a "document" was "discovered" in his luggage by a Russian White Guard, Kedrolivansky serving with the British police. The "document" was a crude forgery; but on the strength of it Dosser was brought back to Shanghai and sentenced to deportation from the territory of the foreign settlement. The underlying cause for this travesty of justice was the desire to hurt the Soviet petroleum trade, for British commercial interests were suffering heavily from the boycott declared against them in South China. . . .

Since 1925 forgers of Soviet documents have been particularly active in Austria and Germany. Early in July, 1925, the police arrested in Vienna the Russian émigré, A. Yakubovich, who, representing himself to be a member of the Soviet Plenipotentiary Delegation, ordered several die-stamps at an engraving shop. The dies were worded as follows: "Very Secret", "Strictly Private", "Delegation of the Executive Committee of the Communist International", etc. Yakubovich confessed that he had ordered these stamps for A. Gavrilov, a Russian émigré living in Berlin.

Berlin had at that time been chosen as headquarters of a large group of Russian White Guard émigrés engaged in espionage and forging of documents. Gavrilov played a prominent part

in that high-born underworld, but the most prolific among them was Sergey Druzhilovsky, former lieutenant in the Tsarist army, with whose exploits the present issue is concerned.

Druzhilovsky was the author of a number of "documents" which he delivered to American newspapermen, to French and Polish secret service men and to the Bulgarian Envoy. They were all fully conscious of the real nature of his "work"—the Bulgarian Envoy even directly dictating to him the contents of the documents he needed. But a "job" for the Polish intelligence service which, though ostensibly directed against the German Communists, was chiefly meant as a machination against the German Government, brought his career in Berlin to a sudden end. He was arrested and expelled from Prussia after several months in prison.

The scandal created by the arrest of this wholesale forger was liable to cast a shadow upon all the previous and future forgeries directed against the Soviet Union. To obviate this, a certain part of the press created the legend that Druzhilovsky was in reality a Soviet agent and that his imprisonment and subsequent confessions in the Soviet Union were only make-believe for the purpose of counteracting the anti-Soviet revelations.

The fact of the matter is that Druzhilovsky, cornered in Berlin, was forced by his own former associates to declare that he was a "Soviet agent"—thus vindicating his friends and their activities. German secret service officials had their hand in the game of brow-beating him to that effect.

After leaving Germany, Druzhilovsky went to Esthonia. His utility as a forger being at an end, he decided to engage in the more risky business of spying within the boundaries of the Soviet Union. On June 29, 1926, he crossed the frontier illegally and was arrested the same day.

His trial began on July 8, 1927, and was concluded on the 12th. The indictment, the most important passages of the proceedings, and the sentence are reprinted in this issue, as are also two of the most important "documents" which issued from his workshop.

He was condemned to death and executed on July 14, 1927.

In the meantime the business of forging documents directed against the Soviet Union is going on. And it seems that after Berlin it is now Paris which the knights of the forged seal have chosen as their headquarters, covering not only the countries of the Old World but those of the American hemisphere as well.

## The Indictment

THE following is a translation of the main passages of the Indictment submitted to the Military Section of the Supreme Court of the Soviet Union in the case of Sergey Druzhilovsky, self-confessed spy and forger of documents:

Sergey Mikhailovich Druzhilovsky, according to his statement, was born in Vilna, in 1894. His father was Chief of Police of the city of Rogachev. In 1912 Druzhilovsky completed the first four years of "gymnasia" (Latin school) and in 1915 the fourth Moscow school of ensigns. Prior to the March Revolution (1917) he was in the Army. At the time of the November (1917) Revolution he was in the Gatchina military aviation school, whence he left in May, 1918, for Ostrogozhsk to see his mother. In the fall of 1918 he went to Moscow where he was arrested for an attempt to buy alcohol, but was acquitted by the court, whereupon he left for Leningrad. In Leningrad, Druzhilovsky secured employment as machine gun instructor in the military aviation school. By the end of April, 1919, Druzhilovsky was relieved of his position as instructor and transferred to the administrative department of the school. On May 5, 1919, Druzhilovsky unlawfully crossed the Finnish frontier to see his friend, the aviator Yanovich, who lived in Finland. He was arrested upon crossing the border into Finland, and when questioned by the secret police, declared that he was the son of a police chief and that he had taken part in the Lockhart<sup>1</sup> conspiracy. He was directed to join Yudenich's army.<sup>2</sup> After the liquidation of that army, which Druzhilovsky left with his old rank of second lieutenant, he stayed in Reval where he worked for the "White" press. The "Ekstrenny Vypusk Telegrafnykh Soobshcheni" (Extra Telegraph News), with which he was associated, was being subsidized by the Ministry of Foreign Affairs of Esthonia. The "Posledniye Izvestia" (Latest News), which he joined subsequently, was being published by Lakhnitsky of the Polish intelligence service and was being inspired and subsidized by the Polish military attaché.

On January 16, 1921, Druzhilovsky, according to his deposition, went to Riga, upon suggestion of Boguslawski, the Polish military attaché in Reval. There the Polish military attaché directed him to Lieutenant Bratkowski who was officially listed as assistant of the military expert, being unofficially the representative of the second division (intelligence service) of the Polish general staff. Bratkowski fixed the salary Druzhilovsky was to re-

<sup>1</sup> British diplomatic agent in Soviet Russia, who in 1918 organized armed uprisings against the Soviet Government.

<sup>2</sup> A counter-revolutionary army attacking Soviet Russia from the northwest (1919).

ceive and assigned him for official work in the paper "Riga Courier" which was a branch of the Polish intelligence service in Riga. After Lieutenant Bratkowski's departure from Riga, Druzhilovsky was placed at the disposal of Second Lieutenant Klec, who, on May 5, 1921, ordered him to Warsaw for having reported that an employee of the Latvian intelligence service was charging 6,000 rubles for information furnished while in reality that employee had charged only 3,000 rubles. Klec had checked up the matter and transferred Druzhilovsky.

In Warsaw, Druzhilovsky was assigned various tasks, as agent of the second division of the Polish general staff, but, according to his statement, was unable to carry them out in a satisfactory manner, as he had no connections in the Soviet Diplomatic Mission. In January, 1922, he was ordered to Rowno to work among contrabandists, and in April, 1922, he was smuggled over to Danzig. There Druzhilovsky became acquainted with the White Guard officer Bielanin-Bielavsky who was working simultaneously for the Polish and German intelligence services. Upon instructions from Bielanin-Bielavsky, Druzhilovsky stole at the Polish Consulate the official correspondence from the desk of Lieutenant Kuczkowski, which Bielanin-Bielavsky delivered to the Germans. In June, Druzhilovsky went to the German Consulate where he declared that he was a former agent of the Polish intelligence service and that it was his intention henceforth to work for Germany against the Poles. After the Germans had inquired about Druzhilovsky, he was directed to Berlin by the end of July, 1923, and was told to call on Dr. Rott in the Ministry for Foreign Affairs. During his interview with Rott in August, 1923, Druzhilovsky gave him full information about the Polish intelligence service, about Poland and himself.

Shortly afterwards Druzhilovsky was arrested by the (Berlin) Police Presidium, but was released, having spent one night in custody. In November, 1923, Druzhilovsky, through the White Guardist Istomin, became acquainted with Gerald Sievert in whose presence he was examined at the Police Presidium. Gerald Sievert was a former second lieutenant in the old Russian army. He had been with the intelligence service of the Twelfth Army and entered the service of Germany after the capture of Riga by the latter. Working partly for the Germans and partly for the intelligence service of Bermont's<sup>3</sup> Army, he was chiefly connected with the German intelligence service in the Baltic regions. Later Sievert moved definitely to Berlin [where he was engaged in espionage work for various countries].

<sup>3</sup> Commander of a German-Baltic counter-revolutionary army fighting against Soviet Russia.

### The Rutberg-Ruthenberg Document

Having met Sievert, Druzhilovsky, anxious to obtain some occupation in the espionage service, pretended to him that he had connections with employees of the Soviet Diplomatic Mission; in doing so he mentioned the invented name of a woman whom he described by imparting to her features which occurred to him on the spur of the moment, taking as a basis the features of his wife's sister who had never left Reval.

Sievert charged him with the task of reporting about the activities of the Diplomatic Mission. In carrying out his instructions, Druzhilovsky, who mixed in the society of various secret agents, was obtaining all kinds of information, on the basis of which he concocted his reports, pretending that he had received them from the—invented and non-existent—female employee of the Soviet Diplomatic Mission. Druzhilovsky was not drawing any regular salary from the Berlin Police Presidium; in each particular case he was receiving certain sums varying according to the material supplied by him. At the same time Druzhilovsky maintained connections with the Polish Legation through the Councillor Morawski, and with the French Embassy through Major Lorrain; in most of the cases the material with which he supplied them was identical with that which he delivered to the Police Presidium. The methods of payment in the Polish and French Embassies were the same as in the Police Presidium; he received no regular salary; he was paid separately in each particular case, the amount depending on the value of the material. In October, 1924, Druzhilovsky became a regular agent of the Polish Legation in Berlin at a monthly salary of 300 gold marks (\$75.00) and continued to maintain his relations with the French and the German intelligence services. Druzhilovsky engaged, as his assistant, the monarchist A. Belgardt, a son of the former Senator Belgardt, who is the representative of Cyril.<sup>4</sup> By December, 1924, having consolidated his connections with the various intelligence services, Druzhilovsky began to expand his work and took up the manufacture of spurious documents of the Communist International and of the Soviet Government.

According to his own statement, Druzhilovsky manufactured his first forged document with the assistance of Alexander Gavrilov (alias Tkachenko), an agent of the Police Presidium, who had previously, jointly with Yakubovich, started the manufacture of forged documents in Vienna. From Gavrilov, Druzhilovsky obtained a letterhead with the emblem of the U. S. S. R., consisting of two halves of a wreath, the center containing the design of the terrestrial globe with the ham-

<sup>4</sup> One of the Romanov "pretendents".

mer and sickle. On this letterhead they typed the instructions for preparing the elections to the Executive Committee of the Red Labor Union International ("Profintern"). The instructions were addressed to the "Executive Committee of the United States of North America." The text contained, point by point, instructions as to how to prepare for elections, a footnote to one of the paragraphs mentioning that the Executive Committee of the Communist International confirmed its appropriation of \$40,000 to Ruthenberg, as an initial subsidy, as well as the subsequent monthly allowances (beginning January 1, 1925) of \$25,000 for the needs of the Workers' Party, and that full powers of control were given to Comrades Ruthenberg, Foster and Stoklitzky. Under this forgery Druzhilovsky put the names of "Kolarov" and "Stuart".

*The indictment further relates how Druzhilovsky came in contact with the Berlin office of the "Chicago Tribune," and continues:*

There Sergey M. Druzhilovsky offered this document to the office manager, an American journalist by the name of Seldes. The latter called his attention to the fact that Ruthenberg's name was written incorrectly. In the forged document the name was spelled "Rutberg" instead of "Ruthenberg". Druzhilovsky replied that according to data at his disposal it was the same person; Seldes asked for documentary proofs. As a result, Druzhilovsky undertook to manufacture another document. For this purpose Druzhilovsky got the letterhead of the newspaper "Izvestia", organ of the Central Executive Committee of the U. S. S. R., from Konrad Bonstedt, owner of a detective bureau. On that letterhead Druzhilovsky wrote that the Communist International was sending money for the Communist Party of the United States to the address of Rutberg-Ruthenberg. At the bottom of the document Druzhilovsky wrote that the office of "Izvestia" was a branch of the Executive Committee of the Communist International. These documents were sold to Seldes for 200 German gold marks (\$50.00). Seldes printed these "instructions" in the "Chicago Tribune" of February 15, 1925, prefacing them with his comments, in which he pointed out that upon his question whether the name "Rutberg" meant Ruthenberg, his informant submitted another document, and briefly adduced the contents of what was written on the "Izvestia" letterhead. Moreover, Seldes wrote that these documents were in his possession for a few hours, in the course of which he succeeded in photographing them. That document was also published in the "New York Times" of February 15, 1925.

#### **"Documents" for French Mission in Berlin**

Approximately at the same time, at the offices of the aforesaid Alexander Gavrilov and Sievert,

Druzhilovsky became acquainted with the forged document concerning the organization of the "Cheka" in Germany, which document had played its part at the time of the "German Cheka" trial. Taking this forged document as a basis, Druzhilovsky manufactured a document supposedly addressed by the Communist International to the Communist Party of France concerning the creation of special branches. That document was drawn up on the same letterhead as the American document. Druzhilovsky obtained the blank letterhead from Gavrilov. The document was typewritten by the émigré woman Valeria Nikolaevna Solovyeva. Druzhilovsky sold this forged document for 100 gold marks (\$25.00) to the American bureau at 8 Neue Wilhelmstrasse and for 50 gold marks to Lieutenant Vaillot of the French Mission in Berlin, to whom he was sent by Captain Paciurkowski.<sup>5</sup> In addition, Druzhilovsky offered this forged document to the former Russian gendarmery officer, Sergey Maximovich Yanovsky, but the latter was unable to sell it to anybody.

#### **Balkan Politics**

*After relating how Druzhilovsky sold to the French Mission in Berlin a "document" made up on a letterhead of the People's Commissariat for Foreign Affairs, which connected that Government body with the activities of the Communist International, the Indictment presents Druzhilovsky's fabrications for the Bulgarian Legation in Berlin:*

Upon Bonstedt's advice, Druzhilovsky went with the above documents to the Yugoslav Legation where he talked with the first secretary of the legation. The secretary did not buy them from Druzhilovsky, but directed him to the secretary of the Bulgarian Legation in Berlin. The latter arranged for an interview between him and the Bulgarian Envoy Popov, who, as a measure of precaution, introduced himself as Angelov. Druzhilovsky did not sell to Popov the documents which he had brought with him. Upon his instructions he began, however, to make up documents which the Bulgarian Government needed both for the purpose of justifying the savage reign of terror instituted by the Tsankov cabinet, and in order to induce the Council of Ambassadors to permit an increase of the Bulgarian army.

At that time Druzhilovsky, who developed his activities on a large scale, had already at his disposal one hundred letterheads of the Executive Committee of the Communist International which, upon Druzhilovsky's order, were furnished by a printing shop. The first document, manufactured by Druzhilovsky upon instructions from Popov, represented a communication of the Communist International to the Communist Party of Bulgaria concerning the intensification of party work, with

<sup>5</sup> Of the Polish intelligence service.

an exact list of measures connected therewith. Druzhilovsky got 100 marks (\$25.00) for that document.

Subsequently a document was manufactured concerning the transfer of \$10,000 from the Communist International to Paster-Nadjiyev. For this document, which was made up upon instructions from Popov, the latter likewise paid to Druzhilovsky 100 marks (\$25.00). After that, upon direct instructions from Popov, Druzhilovsky manufactured the famous forged document concerning the armed rising of April 16, 1925, which made the rounds of the entire European and American press. This document was made up in the form of an order from the Communist International containing an exact program of the uprising. The document bore the signature of "Bujansky" written by the hand of Druzhilovsky. For this document Popov also paid Druzhilovsky 100 marks.

*Another document, likewise composed upon instructions from Popov, connects the activities of the Soviet Foreign Office with those of Balkan communist organizations.*

Furthermore, again upon orders and instructions from Popov, Druzhilovsky made up a forged document purporting to have been issued by the Executive Committee of the Communist International, addressed to the "Chief of the Balkan Operating Center", in the form of an order, according to which Dmitriev was appointed chief of the "Balkan Operative Center", and M. Krasovsky of the general staff, head of the staff. The forged document further points to the necessity of physically doing away with the Tsankov cabinet, the greatest attention to be paid to Tsankov, to Kalfov, Minister of Foreign Affairs, to General Lazarev and to Malinov, as aspirant to the post of Prime Minister. Druzhilovsky signed that document with the name of "Stewart". All the names mentioned in the document were inserted by Druzhilovsky upon instructions from Popov, who paid Druzhilovsky 150 marks for that document.

All these forged documents which Popov and the Tsankov government knew to be forgeries and which were made up under the direct guidance of Popov, the Bulgarian Envoy in Berlin, were produced as genuine documents at the trial dealing with the explosion in the Sofia cathedral. The prosecuting attorney made use of them in his speech, and the sentences of death were based upon these documents. They were also submitted as genuine to the Council of Ambassadors in Paris, and as a result, the Tsankov government succeeded in obtaining from the Council of Ambassadors permission to increase the armed forces by 7,000 men, for the purpose of putting down the working masses.

### Another "American Document"

Simultaneously with the manufacturing of forged documents for the Bulgarian Government, Druzhilovsky was making use of his supply of letterheads of the Executive Committee of the Communist International (which he had ordered in a printing shop) for making up forged documents of the following contents:

Secret instructions from the Executive Committee of the Communist International addressed to "The Plenipotentiary Representative of the Second Section of the Communist International". In that forged document, gratitude is expressed for the successful propaganda in favor of recognition of the Soviet Union by the United States, and the appropriation of \$20,000 from the secret fund is announced. The necessity is pointed out of taking steps for preventing the impairment of the personal relations between Borah and Coolidge. It is stated that the doing away with Warren, whom Coolidge intended to appoint to the post of Attorney General, ought to render the political situation less acute, as in that case Borah may support Coolidge, and Coolidge may in turn support Borah in matters of foreign policy. Then mention is made of Pestkovsky, the Plenipotentiary Representative of the Soviet Union in Mexico, who is to inform a woman referred to as "Beonka" that a bank account in the amount of \$20,000 appropriated by the Council of People's Commissars of the U. S. S. R., was opened in Stockholm.

*The Indictment further refers to the activities of an American newspaper man who, according to Druzhilovsky, suggested to the latter, that he make up a forged document concerning an alleged sale of diamonds effected in America by the Soviet Government through the Communist International and providing for deductions for the benefit of the agents of that organization.*

### Polish Uprisings and Terrorist Acts

Further, upon orders from Captain Paciurkowski, and in accordance with his suggestions and instructions concerning the contents, Druzhilovsky manufactured a forged document purporting to represent secret instructions from the Executive Committee of the Communist International, addressed to the "Plenipotentiary Delegation of the Communist International in Poland". These instructions contain the approval of a proposed mass action of the "Polish Communist Party" scheduled to take place on May 3, the day of the national celebration of the Constitution, with the purpose of calling the attention of the representatives of the European countries to the distressing situation of the eastern regions of Poland, and to the sympathy of the working masses for the Soviet Union. The forged document pointed out

that this demonstration was also to divert the attention of Europe from the events in the Balkan countries. Moreover, upon instructions given by Paciurkowski, Druzhilovsky wrote in that document that "the Executive Committee of the Communist International considers that individual terrorist acts planned by the Central Executive Committee of the Polish Communist Party would be a deserved reward for Grabski\* and his gang, in retaliation for the murder of Polish revolutionists. Simultaneously, upon orders and instructions from Paciurkowski, Druzhilovsky made up another document, also in the form of secret instructions from the Executive Committee of the Communist International, concerning the listing of party members according to the place and kind of their activity, the list of these party workers to be divided according to locality; the establishments to which particular attention was to be paid were to be enumerated. Druzhilovsky signed both documents with the name "Dorot". Paciurkowski directed Druzhilovsky to apply with these documents to the editor of "Dziennik Berlinski" (Berlin Daily), a Polish paper published in Berlin, and the latter in turn directed Druzhilovsky to "A. W." (Eastern Agency) where Druzhilovsky sold both documents to Dr. Rettinger for \$100.

The fact that all these forged documents were actually made up by Druzhilovsky and sold upon instructions and suggestions from his above mentioned clients, has been clearly established not only by the depositions of Druzhilovsky himself, but also by other material gathered by the preliminary investigation, from which it appears that the acquirers of the forged documents were fully aware of their obviously spurious character which did not prevent them from stirring up a great noise around them by presenting them to the public as genuine. Particularly conspicuous in this respect was the government of the adventurer Tsankov, which through Popov, its envoy in Berlin, directly dictated to Druzhilovsky what was to be written in those forged documents, and which later, with knowingly forged documents in its hands, presented them as genuine to the Council of Ambassadors in Paris, as evidence that the permanent troubles in Bulgaria were not a result of Tsankov's bloody regime, but of Moscow's machinations; by this fraudulent method the Bulgarian government obtained from the Council of Ambassadors the permission to increase its armed forces by 7,000 men. In addition to this, the same Bulgarian forged documents, the obvious absurdity and spuriousness of which is immediately apparent, were used by the Bulgarian court of the Tsankov government as judicial evidence in the indictment, and were the basis of the public prosecutor's speech and of the sentence.

\* Polish politician.

In the middle of 1925 the aforesaid Dr. Rettinger, Polish Resident in Berlin, suggested to Druzhilovsky that he make up a forged document to the effect that the railroad accident in the Danzig Corridor was caused by the Communists, instructing him that the basic statements of that document should convey the following: German "right" conservative spheres, as represented by the extreme nationalists, have instructed their members, for provocatory purposes, to penetrate into the Communist party of Germany, and under the pretext of Communist activities to bring about a railroad disaster in the Danzig Corridor, with the purpose of causing, on the one hand, a conflict with Poland (which was contrary to the interests of the German Government, for which the extreme nationalists were endeavoring to create all kinds of difficulties), and on the other hand, with the purpose of bringing about persecutions of the Communist Party. Druzhilovsky composed the rough draft of the forged document and consulted Bonstedt about its contents. Having apparently learned about it from the latter (Bonstedt), the Police Presidium of Berlin arrested Druzhilovsky. By the middle of June, 1925, Druzhilovsky was released following Popov's intervention. In the course of ten days Druzhilovsky manufactured for Popov all kinds of forged information for which he received 950 gold marks. On July 1, 1925, Druzhilovsky was again arrested by the Police Presidium and kept in prison until November, 1925.

*The concluding part of the Indictment deals with Druzhilovsky's adventures after his arrest in Berlin and his expulsion from Prussia, which brought him back to the Baltic countries and ended in his arrest on Soviet territory. The Indictment ends as follows:*

Following an additional examination by the examining judge sitting on the more important cases coming before the Supreme Court of the U. S. S. R., Druzhilovsky pleaded guilty and confirmed the above mentioned facts. When he was informed that the examination was terminated, he pointed out that in the system of manufacturing forged documents he was only a technical tool, while the real manufacturers of the forged documents were the governments of the bourgeois countries, conducting an organized anti-Soviet campaign which was headed by England.

On the basis of the above, Sergey Mikhailovich Druzhilovsky, son of a chief of police, 33 years old, former officer in the Tsarist Army and in the Army of Yudenich, is accused of having:

1. After the termination of the Civil War, and the destruction of the army of Yudenich, joined the service of the second division of the Polish General Staff and of having—up to 1926—participated in espionage activities against the U. S.

S. R., a crime dealt with in Section 6 of the law concerning crimes against the State;

2. Of having, since 1925 to 1926, upon instructions received from agents of intelligence departments of foreign countries, manufactured for them various forged documents allegedly issued by the Soviet Government and the Communist International, which documents could be utilized for the purpose of bringing about the breaking off of agreements concluded with the U. S. S. R. and the rupture of diplomatic relations, as well as armed intervention in the U. S. S. R., and other hostile actions, dealt with in Section 5 of the law concerning crimes against the State.

On the basis of a decision of the Presidium of the Central Executive Committee of the U. S. S. R., as of February 8, 1927, No. 79, Sergey Mikhailovich Druzhilovsky is to be tried by the Military Division of the Supreme Court of the U. S. S. R.

Examining Judge for the More Important Cases at the Supreme Court of the U. S. S. R.,

May 17, 1927.

GALPERIN.

## The Trial

THE trial of Druzhilovsky before the Military Division of the Supreme Court of the U. S. S. R. began on July 8, 1927. The Court was composed of the Chairman Ulrich and the Associate Judges Kameron and Minichev. The State was represented by Katanian, First Assistant to the Attorney General of the Supreme Court.

After the reading of the Indictment, the Chairman began the examination of the accused who was defended by Attorney Komodov.

The following extracts from the minutes of the trial deal with some of the more important phases of Druzhilovsky's activities as spy and forger of documents.

Throughout the entire proceedings the defendant was tireless in his attempts to impress his judges with the idea that all the mistakes, ineptitudes and inconsistencies which at first sight branded his "documents" as obvious forgeries, were part of his scheme to unmask his own activities and not to cause any harm to the Soviet Government and to the persons mentioned in his fabrications.

Confronted by the two fundamental questions concerning the crimes he was accused of, the defendant did not, however, try to deny his guilt, as shown by the following passage from the first session of the trial:

Chairman: Defendant Druzhilovsky, I am going to put two fundamental questions to you; answer them briefly. You are indicted on two points: the

first indictment is to the effect that after the termination of the Civil War, you were serving in the second [secret] division of the Polish General Staff and were taking part—up to 1926—in espionage activities directed against the U. S. S. R. Do you plead guilty on this point?

Druzhilovsky: Yes, I plead guilty.

Chairman: The second indictment is to the effect that in 1925-26, upon instructions from organs of the intelligence services of foreign countries, you were making up forged documents, allegedly issued by the Soviet Government and by the Communist International, documents which could be utilized for the purpose of hostile activities against the U. S. S. R. Do you plead guilty on this point?

Druzhilovsky: Yes, I plead guilty.

That Druzhilovsky's case was not a sporadic occurrence, that he was only one of the links in an endless chain of spies and professional forgers from among the Russian émigrés can be seen from the following passages of the proceedings:

Chairman: These intelligence service agents you were dealing with in Berlin—were they not all former White Guard officers in the Russian Army?

Defendant: Yes, they were Russian White Guard officers.

Prosecutor: I get the impression that the intelligence service was not conducted secretly at all. Yanovsky [a Russian White Guard officer] knew that you were working in the intelligence service in Danzig; Paciurkowski [a Polish intelligence service officer] knew who was working in Vilna. I do not quite understand this. It looks as if there were a definite group of spies who at any moment would serve any country at the first call?

Defendant: Yes.

Prosecutor: Were not these spies being chiefly recruited from among Russian officers?

Defendant: Not only from among Russian officers but from among the Russian émigrés in general. This is certain. They are people whose livelihood is derived exclusively from international espionage.

Prosecutor: International espionage, blackmail and forged documents.

### PUBLICATIONS OF THE SOVIET UNION INFORMATION BUREAU

The Agrarian Revolution in Russia.....	25c
The Financial Policies of Russia.....	25c
New Constitution of the Soviet Union.....	15c
Patent Law of the U.S.S.R.....	15c
Commercial Handbook of the U.S.S.R. for 1927...	30c

## Forgeries for American Consumption

**A**FTER examining Druzhilovsky at length about his connections with the military intelligence service of Poland and other foreign powers, the Chairman began to question the defendant with regard to the forged documents in the manufacture of which he played so conspicuous a part.

**Chairman:** Druzhilovsky, how did you start manufacturing the first forged document?

**Defendant:** The first forged document was made as follows: I went to the Polish Embassy where Paciurkowski asked me whether I could not give him some documents. As at that time I was in the service of Sievert, I went to Sievert and told him that Paciurkowski from the Polish Embassy asked me for some documents. I had no documents and I did not know whether Sievert had any. Sievert told me that it might be possible to find material and to arrange this matter. "Go to Tkachenko," he said, "maybe he will have something." I went to Tkachenko. Tkachenko told me that at the moment he had no genuine documents, although in general they were available, but that he had copies of some documents and he showed me four or five copies of that kind. I read that material and noticed that it was, so to speak, Soviet material. On that occasion he did not give me anything and I went to Sievert and told him that no documents but only copies of documents were available, while Paciurkowski asked for genuine documents. Then Sievert said: "And if we get documents, how much will Paciurkowski pay for them?" He added that quite authentic material was available which was obtained from our sources; that it was doubtless Soviet material and that it was necessary to get from Tkachenko the letterheads upon which the material was to be typed, and then delivered to Paciurkowski.

**Prosecutor:** Did Sievert say that?

**Defendant:** Yes, he said that at our second meeting. I went to Tkachenko again and told him that Sievert asked for letterheads. Tkachenko confirmed that he had them and opening one of the drawers of his desk, he produced some letterheads of the Soviet Trade Delegation and of the People's Commissariat for Foreign Affairs.

**Chairman:** The letterheads of which Trade Delegation?

**Defendant:** The letterheads of the Trade Delegation in Berlin. I took three letterheads—I don't remember now exactly how many I took, but I believe, I spoke in my depositions of three letterheads, one with the small emblem of the Trade Delegation, and two letterheads of the People's Commissariat for Foreign Affairs. In addition to this, I obtained from him copies of documents of the Cheka—I say "copies of documents", although I knew at that time as well, that they were forgeries, and not genuine documents of the Soviet Government. I took all that material and went home.

### "Rutberg" and Ruthenberg

The first instructions to the Executive Committee of the United States of North America—I got them in the month of December—contained some names which were designated precisely, viz., Rutberg, Foster and Stoklitzy. Being aware of what was the result of the "Zinoviev letter", and of the outcome of the Estonian rising, I did not want to cause any personal harm to those persons who were at the head of the labor movement in America and changed the names because it made no difference to Paciurkowski what names were written there. The first material was typed in changed form by Valeria Nikolayevna Solovieva. When that material was ready I went to the Polish General Staff (as I was getting a salary of 300 gold marks) and handed that material to Paciurkowski. He told me

"this does not concern us at all; it has nothing to do with us because it is American material;" I replied that he had asked for "some kind" [of documents] and that I couldn't get any concerning Poland.

(The defendant then relates how a former Russian "White" officer, Hamm, an acquaintance of his, connected with the American Consulate in Berlin, directed him to Seldes, the Berlin representative of the "Chicago Tribune" to whom he offered that document.)

I showed it to him. He knows the Russian script, but I am still unable to understand how he found the name of Rutberg, which he read, whereupon he told me in German that this was not correct, that there was a Ruthenberg in his country but not a Rutberg. I do not remember whether I asked him a question, and in general am unable exactly to reproduce that conversation. But he asked me whether I could corroborate this [i. e. that "Rutberg" was identical with Ruthenberg] by some document and I told him that I could. Then he said that I should leave that document and that I should bring the other one, corroborating it. Having thus received a definite order to get a document which would corroborate the first forged document, I spoke about it to Bonstedt who called on me every day. I spoke to Bonstedt about his having received a letter from the office of "Izvestia" (he had asked the office of that paper about advertising terms). He showed me the letter. I don't remember how I told him about it or how he gave it to me—but I recall him telling me "maybe you could make some use of it; as you are engaged in anti-Soviet activities, it might be of use to you." I told him that I needed it for the purpose of writing the corroborating document, but that I could not write on that letterhead because I needed a blank one and was unable to remove the ink, not being a chemical specialist. If Bonstedt would remove the ink, then something might be done. Bonstedt removed the ink and I got a letterhead of "Izvestia" on which I wrote that Ruthenberg-Ruthenberg was to get a money transfer from the office of "Izvestia" through some bank; in view of the fact that Hamm knew that the first document had to be corroborated, viz. that "Rutberg" was Ruthenberg, I called up Hamm asking him to tell me the name of a bank in New York which could be used. He mentioned some bank; it was the New York City Bank. I inserted the name of that bank with reference to the money transfer. This happened in February, 1925. I took that document to Seldes and submitted it to him, stating that this was the corroboration which he required.

**Chairman:** Did you write on that "Izvestia" document that the office of "Izvestia" is a branch of the Communist International?

**Defendant:** Yes, I wrote that.

**Prosecutor:** Now, with regard to what they wrote about the document being in the Bolshevik archives. Was it because you told them you had to return that document?

**Defendant:** How could I have told that, when those persons who obtained that document from me were aware of the fact that I was bringing a corroboration which I had written myself.

**Prosecutor:** Thus, all that stuff about the Bolshevik archives was their own story?

**Defendant:** Yes, they wouldn't have believed me anyhow.

**Prosecutor:** Sometimes people pretend that they believe. Now with regard to the "Izvestia". Whose idea was it to say that Ruthenberg and "Rutberg" are the same person?

**Defendant:** Seldes told me that I was to bring a corroboration to that effect.

**Prosecutor:** Was it your own idea, or did somebody else suggest to you that the contents of the letterhead were to be removed chemically so as to write on it instead that "Rutberg" was Ruthenberg.

Defendant: Seldes said that. He said, "Bring a confirmation that Rutberg is Ruthenberg."

Prosecutor: But whose idea was it to remove the ink from the letterhead?

Defendant: Mine.

Prosecutor: That means that you were the originator of that brilliant idea?

Defendant: Yes.

Prosecutor: And when you brought that letterhead to the Americans, did they understand that the letterhead of the "Izvestia" was not the letterhead of the Communist International or of the Soviet Government?

Defendant: I wrote what was mentioned here before, viz., that the office of the "Izvestia" was a branch of the Communist International. I could have written with the same degree of success that the office of the "Izvestia" is a branch of the Supreme Court.

Prosecutor: I would like to know whether they were mistaken, or knew themselves that this was a forged document.

Defendant: Those people were certainly not mistaken, as the data contained in those documents, and the corrections which were inserted, could by no means mislead them.

Prosecutor: When you wrote down that naive footnote,\* didn't you think that they could become suspicious about the genuineness of the documents? Or did you know that they would take anything you might offer them?

Defendant: I think they would have taken [the document] even if they had their doubts.

## Russian Forger and Bulgarian Diplomat

UPON the advice of one of his acquaintances, a certain Bonstedt, owner of a detective bureau and informer of the Berlin Police Presidium, Druzhilovsky went to the Yugoslav Legation in Berlin in the hope of selling there some of the "material" that was at his disposal. The Yugoslavs declined the offer, but suggested that he go over to the Bulgarian Legation, which he did.

In this connection attention is to be called to Druzhilovsky's revelations concerning the part played by a British officer in the Sofia Cathedral conspiracy which was to be "discovered" in time for the purpose of implicating opponents of the Tsankov regime, but turned out to be a bad job.

The passages of the minutes dealing with this part of Druzhilovsky's activities follow:

Prosecutor: So the Serbians [Yugoslavs] sent you to the Bulgarians?

Defendant: Yes.

Prosecutor: How do you explain this fact—a stranger is calling on them, and all of a sudden they are directing him to another embassy?

Defendant: In my opinion they were using me as an unconscious tool in that there was a certain understanding among them of which I was not to know.

Prosecutor: When you went to the Bulgarians did they meet you as if you were an accidental caller?

Defendant: Of course not.

\* That the "Izvestia", the official organ of the Central Executive Committee of the U. S. S. R., i. e., the highest Government body, was a branch of the Communist International.

Prosecutor: Does it mean that the Serbians informed the Bulgarians?

Defendant: Certainly.

Prosecutor: How do you explain this close connection between the legations of two countries that are hostile to each other; how do you explain this granting of mutual services to each other?

Defendant: By the fact that during the period between August, 1924, and May, 1925, a bloc of states was formed in which Fascist activities were going on. These were being coordinated by various persons who had come to an agreement with regard to activities against the Soviet Union, and they were sending me from one place to another.

Examined by the Chairman as to how he made up his first document for the Bulgarian Legation, the defendant gave the following explanations:

Defendant: After Sievert had found out that I had sold to various places my last document about the "Cheka" which I had made for the French, he told me that I had no right to act that way. Bonstedt directed me to the Serbian Legation; they in turn sent me to the Bulgarian Legation. I was met there by [Secretary] Stoyanov who must have been notified by Pershke, the first Secretary of the Serbian Legation. Stoyanov told me that he would call the personal secretary of the Envoy. Then a gentleman came out who introduced himself as Angelov, personal secretary to the Bulgarian Envoy. He glanced over the documents which I brought him, and told me that the material in question did not interest him; should I, however, have some material about Bulgaria, he would like me to bring it; he added that he could not pay very much, and that the document would be of importance to him only in case it would have the appearance of a document, because what I brought was in his opinion no document. It may be that I am not conveying his words literally, but that was their meaning. I replied "it is all right" and said that I would call later again, as to whether it was possible or not. About two days later I went to Angelov and told him that I might be able to get some material of interest to the Bulgarian Legation, but would like to know what was of interest to him because one could not bring everything. It was necessary that he should tell me concretely what to do with regard to this and other material. Then Angelov (his real name is Popov and he is the Bulgarian Envoy) said: "Well, I can tell you what may be of interest to me." A number of letters or reports were on his desk; he read the reports from Vienna and Prague, concerning the situation and events in Bulgaria, and from those reports it was perfectly clear to me that the Bulgarian Envoy was greatly interested in Paster-Nadjiyev who at that time was not in Bulgaria, and in those communications from Prague and Vienna it was pointed out that \$10,000 had been placed at the disposal of Paster-Nadjiyev for the purpose of intensifying the propaganda in the army and for forming nuclei in the army.

Prosecutor: Did he tell you that?

Defendant: Yes, he said so. Having a scrap book with me, I took that down. Thus I got the contents for making up the first forged document. I composed the document according to the contents which he gave me, and when he spoke about Paster-Nadjiyev, he told me the latter was his high-school friend, but that at the present time he is an adversary of the Government. Having received that material, I made up a document on one of the letterheads of the Executive Committee of the Communist International and delivered it to the Bulgarian Envoy, and received 100 marks for it.

Chairman: Was Popov satisfied with the document?

Defendant: Yes, he was satisfied.

### The "Armed Rising" and the Explosion in Sofia

Chairman: Let us pass over to the third Bulgarian document which is the seventh document of the total number, containing instructions to the Bulgarian Communist party concerning an armed uprising. How was this document made up? Who determined its contents; who executed it technically, and to whom was it delivered?

Defendant: The contents of the document were to the effect that a signal was to be given for the mobilization of the members of the Communist party and the arming was to take place during the night of April 15 to 16, while the rising was to occur on the 16th, upon a signal from the centre. This was dictated literally, and I wrote it down from Angelov's dictation word by word; he said at that time that "probably you will be able to get more detailed information with regard to this entirely authentic material, which is in my possession, and you will make inquiries in this respect." This was clear and I went again to Sievert to tell him that at that time I was working for the Bulgarians. I had never written any instructions and did not know how to write them. He told me, "Well, I will find out about it" and told me to wait; then he entered the next room. I heard him calling up Gavrilov. Gavrilov arrived shortly afterwards and brought the other documents. He was speaking with Sievert in the adjoining room. I asked: "In what respect do you think that a resolution is necessary here?" He gave me the approximate contents of the resolution which I took down immediately. Thus I made up the contents of that document, Sievert and I attending to the technical execution, while the Bulgarian Envoy had delivered all other material to Sievert with the understanding that I should get it from the latter. When I filled out the letterhead, I went back to Popov, to whom I delivered it; when delivering that material I was quite drunk, because at that time I was drinking very much in Berlin. Popov noticed that the former Minister of Internal Affairs Russnov and the former War Minister Garjiyev, who were mentioned in the document, were to be shot by Modko and Kashimirov and that the names Modko and Kashimirov were not spelled correctly. Having been drunk, I mixed up the names which Sievert gave me, and the document contained the names which had been printed in the "Rul" of the 17th. It was also said in the document that its contents were to be delivered to the proper body through the Department of International Relations. The letterhead, however, clearly pointed to the Department of Foreign Relations. Thus the text of the document which spoke in the name of the "Department of International Relations", did not tally with the printed heading of its letterhead which read "Department of Foreign Relations". That is the way the document was made out.

Prosecutor: Was this date, April 15, taken down accidentally, or did anybody speak to you about it?

Defendant: The date of 15-16 was dictated to me by Popov.

Prosecutor: Thus, the date of April 15 was suggested to you by Popov? April 16 was the day on which the explosion in the Sofia cathedral took place. It is quite a strange coincidence. It is said in the document that on April 15-16 an uprising is to take place, and the explosion in the Sofia cathedral occurs exactly on the 16th. According to Druzhilovsky's statement, this date was suggested to him by the Bulgarian Envoy Popov.

Counsel for Defense: Who devised the general character of the document?

Defendant: I affirm that the general character of that document is to be traced to the Bulgarian Secret Police, and that Angelov [Popov] was instructed to act through the intermediary of persons engaged in espionage and the fabrication of forged documents; this campaign was headed by the English since August, 1924. This material belongs entirely to him, because in the given case I re-

ceived the text of the material and not merely the contents.

Counsel for Defense: Now, do you remember when the document was made up? The seal bears the date of "March 12." Did you make up that document long before that date, or was it after that date?

Defendant: Before that date.

Prosecutor: You were not disturbed by the circumstance that as a result of your forged documents the most atrocious executions were taking place in Bulgaria? It seems as if these circumstances did not disturb you at all, and that you were disturbed by one thing only, namely, whether it would be established that these documents were spurious?

Defendant: No. I was reasoning that my place could be taken by other persons, from among the thousands who are now abroad, and who could be engaged to do the work I was doing; who would have done the same thing I did, and could have made up the same forged document.

### The British Colonel and the Explosion in the Sofia Cathedral

Prosecutor: At the end of yesterday's session you pointed to the fact that a conversation had taken place between Popov and a British colonel. What was his name?

Defendant: As far as I know, it was Holst.

Prosecutor: And his first name?

Defendant: It may be Harry, but I am not exactly sure of it.

Prosecutor: And when did the conversation take place? Was it after the explosion in the cathedral of Sofia?

Defendant: Yes.

Prosecutor: What day?

Defendant: The second or the third day after it.

Prosecutor: Where did the conversation take place?

Defendant: In Popov's room.

Prosecutor: Why did you go to the Bulgarian Legation at that time?

Defendant: Because I went to see Popov, as I always did.

Prosecutor: You were quite chummy with him, were you not?

Defendant: Yes, we were on good terms.

Prosecutor: What was the conversation about? What did you hear?

Defendant: The following words which were spoken loudly reached my ears: "I don't understand, colonel, how you could have permitted the explosion actually to take place?" I clearly heard these words spoken by somebody.

Chairman: Were those the words of Popov?

Defendant: I am convinced that the word "colonel" was uttered. My interest was aroused and I asked the janitor who was there? He answered: "Don't you know that Harry Holst arrived from Bulgaria?" He said he was an English colonel.

Prosecutor: You did not explain how it happened that the colonel was in Sofia at that time and why he was able or unable to allow the explosion to take place.

Defendant: No, I could not explain that.

Prosecutor: Did you or did you not get a visa for going to Sofia?

Defendant: I asked for it, but I did not get it.

Prosecutor: That means that you asked for a visa for Sofia, for what purpose and when did you ask for it?

Defendant: After the second arrest.

Prosecutor: That means after the explosion?

Defendant: Yes, after the explosion.

Prosecutor: Now, maybe you will recall whether there was an apartment in Sofia which was kept by a woman and in which Holst, Tsankov and another person were meeting?

Defendant: This is correct. There was such an apartment. I spoke with Sievert about it.

Prosecutor: I am saying, did a woman keep that apartment or not?

Defendant: Yes.

Prosecutor: What was the name of that woman?

Defendant: I cannot recall.

Prosecutor: Thus, it was an apartment kept by a British woman spy. Is that correct?

Defendant: Yes.

Prosecutor: Who used to come to that apartment?

Defendant: I couldn't tell.

Prosecutor: We will establish that in due order. Was Tsankov going there?

Defendant: Yes.

Prosecutor: Holst?

Defendant: Yes.

Prosecutor: Who else?

Defendant: I don't remember, that is, not that I don't remember, I don't know.

Prosecutor: For the time being, we will take it that according to Druzhilovsky's depositions, Holst met Popov, Popov reproaching Holst for having permitted the explosion in the Sofia cathedral to take place. This is first. Second: There was a secret apartment in Sofia, which was kept by a British woman spy, an agent of the British intelligence service, whose name we have not established as yet. I must say that, according to documents, the name must be either Martens or Margolis.

Defendant: I just recalled; her name is Draganova.

Prosecutor: Well, for the time being, we will assume that it was Draganova. Thus it is established that a certain woman by the name of Draganova (her name is still in doubt), was an agent of the English intelligence service and was keeping in Sofia an apartment in which Tsankov and Holst met before the explosion in the Sofia cathedral. Second: It has been established that in Berlin Popov reproached Holst for having permitted the explosion at the Sofia cathedral to take place.

## In the Service of Poland

THE two forged documents referring to Polish affairs were manufactured to satisfy certain specific needs of the Polish spheres. They were designed to prove that "Moscow" was organizing a revolutionary uprising in Poland, and that the members of the Polish Communist Party were engaged in espionage work in the interests of the Soviet Union. It was another document which he was preparing for the Polish intelligence service, and which was meant to create difficulties for the German Government, that was instrumental in putting a stop to his activities in Germany. Some of the passages from the minutes, referring to these documents, follow:

Chairman: We are in possession of two forged documents which were used by the Poles. One of them was addressed to the "Plenipotentiary Delegation of the Communist International" in Poland and was dated April 16, 1925. The other document was addressed to foreign organizations. This document contains the signature of the "Vice-Chairman of the Polish Section of the Executive Committee of the Communist International", was it you [who wrote the signature]?

Defendant: Yes. It was I.

Chairman: What is the origin of that document? Was it Paciurkowski who asked you to make up such a document?

Defendant: No, it was Gumansky.

Chairman: Who is Gumansky?

Defendant: Gumansky is engaged in international espionage and in the fabrication of documents.

Chairman: In one word—your colleague; has he been working in that field for a long time?

Defendant: I am not sufficiently well acquainted with him to say how long he was engaged in that work, but I know that he is engaged in it.

Chairman: Thus Gumansky applied to you? Why couldn't he make it up himself, instead of applying to you?

Defendant: Apparently it was necessary to corroborate those documents which Gumansky was fabricating himself.

Chairman: In other words, this document was similar to the one which Gumansky published?

Defendant: Yes.

Chairman: We are passing to the next document which is entitled, "To Foreign Delegations—Riga, Paris, Berlin, Vienna, Prague. Secret Instructions from the Executive Committee of the Communist International." The suggestion is made therein that information be given about the total number of party members, etc. It deals with matters of internal party organization. What is the history of this document and what was the purpose in manufacturing it?

Defendant: The purpose of this document was to compromise the Soviet Government in so far as it is a forged document with regard to Moscow.

Chairman: That means you suggested to make a general survey of the Polish Communist Party and of its influence in various military and civil establishments?

Defendant: Yes.

Prosecutor: And to engage in espionage?

Chairman: It seems so. Who was the initiator of that document—Paciurkowski, Gumansky or Druzhilovsky? I am mentioning those who were usually dealing with Polish documents in Berlin.

Defendant: This document was written on an old letter-head; it was made upon the initiative of Hamm who furnished an entire collection of material during the interval while the question of material was being discussed. The reorganization of the American Communist Party was chiefly discussed with Hamm because I do not know any English, and how can the reorganization of the American Communist Party . . .

Chairman: We are speaking here about the Polish Communist Party.

Defendant: This is the concluding part of the American [document] . . .

Chairman: That means that you did the same thing for the Polish Communist Party by inserting a few words? This is easier.

Defendant: Yes.

Chairman: Did Paciurkowski have anything to do with the making up of that document?

Defendant: When he ordered the document concerning "May 3", I said, "and what about having two documents, not only one", and I asked for 200 marks. He said, "Well, you may bring two documents". I brought them, but Paciurkowski did not accept the documents and directed me to the Polish daily "Dziennik Berlinski" (Berlin Daily). From there I was sent to Dr. Rettinger. I don't remember his address exactly; it is near Viktoria-Platz. I told Dr. Rettinger that I was sent by the "Dziennik Berlinski".

Chairman: Who is that Dr. Rettinger?

Defendant: He is the Polish Resident in Berlin.

Chairman: What were his relations with Paciurkowski?

Defendant: Rettinger calls on the Embassy.

Chairman: Who of them was subordinate to whom in this activity?

Defendant: Rettinger was a representative of the Ministry of Foreign Affairs, while the other was in the military intelligence service.

Chairman: This means that Rettinger was working in the diplomatic intelligence service and Paciurkowski in the military intelligence service.

Defendant: Yes.

Chairman: What official position did Rettinger occupy in Berlin?

Defendant: I do not know.

Chairman: And what official position was held by Paciurkowski?

Defendant: Official—I do not know; but unofficially, he was captain of the second division of the general staff. They call him captain there.

Chairman: And who was Rettinger?

Defendant: I assume that he worked as representative of the Ministry of Foreign Affairs.

Chairman: Who directed you to Rettinger?

Defendant: Paciurkowski.

Chairman: What were Dr. Rettinger's relations with the newspaper "Dziennik Berlinski"?

Defendant: He [Paciurkowski] did not want to send me from the Polish Embassy directly to Rettinger and told me that I would learn his address at the "Dziennik Berlinski".

Prosecutor: Was Rettinger acting with secrecy? If my memory does not fail me, you said in your depositions that he was acting with great secrecy.

Defendant: I assume it. Paciurkowski directed me to the newspaper "Dziennik Berlinski" with the understanding that there I would get the address [of R.]. This indicates that he [R.] was acting with secrecy.

Prosecutor: Do you say it on this ground only?

Defendant: Yes, on this ground only.

Prosecutor: And later, were you calling often upon Rettinger?

Defendant: I was there when I delivered, or rather, when I got from him the order with regard to the document concerning the explosion in Danzig.

Prosecutor: Didn't you ever call on him before?

Defendant: Yes, I did.

Prosecutor: On what occasion?

Defendant: Concerning the making up of forged documents.

### The Last "Job"

Chairman: Now we are passing over to the forged document which was not sold. This is the forged document concerning the Communists' participation in the railroad disaster in the Danzig region. Now tell us how this false document was made up upon instructions from the same Polish Resident Rettinger; what was the purpose of the publication of this forged document; whom was it supposed to compromise?

Defendant: In my opinion, the Polish Communist Party.

Chairman: Polish?

Defendant: Excuse me, the German Communist Party, and insofar as the German conservative spheres are mentioned, consequently also the German conservative spheres.

Chairman: The railroad disaster did actually take place, did it not?

Defendant: Yes, it did.

Chairman: Then an actual occurrence was used as basis for this forged document; was it not?

Defendant: Yes.

Chairman: The forged document was intended to shed some light on this story?

Defendant: Yes.

Chairman: Was Rettinger's initiative behind it?

Defendant: Yes.

Chairman: And this forged document, it seems, cost you your liberty. You were arrested after that, were you not?

Defendant: Yes, I was arrested after that.

Chairman: By the German Police Presidium?

Defendant: Yes.

Chairman: Do you remember the contents of that forged document? We have not got it.

Defendant: The contents are to the effect that the German Conservative spheres should direct their members to enter the German Communist Party in order to call forth hostile actions on the German periphery; in this connection mention was made of the occupied area and of the Danzig Corridor. This is the main essence of the false document.

Chairman: But was not the forged document to be composed in the shape of a letter—to what organization?

Defendant: I was to address it to the Polish Communist Party.

Chairman: From whom was it supposed to emanate?

Defendant: From the Executive Committee of the Communist International.

Chairman: In the form of instructions?

Defendant: Yes, in the form of instructions.

Chairman: You have mixed up the matter entirely. You said that it was necessary to embarrass the German Government on the one hand, and the German Communists on the other. Now you say—the Polish Communists. (Druzhilovsky does not answer.) Did the German Police Presidium find out about this forged document?

Defendant: I informed Bonstedt about this forged document.

Chairman: And Bonstedt apparently reported about it.

Defendant: Yes.

Chairman: And after that the German police arrested you?

Defendant: Yes, after that I was arrested.

## British "Jobs"

WHILE not directly engaged in manufacturing "documents" concerned with the internal affairs of England, Druzhilovsky, in his depositions, was able to shed some light on one of the most notorious political forgeries of the century. We mean the so-called "Zinoviev letter" which in 1924 caused a serious tension of Soviet-British relations and was a determining factor in the ascension to power of the Conservatives who carried the elections with the help of the "red" scare created by this fraud.

Another "job" which, however, did not materialize, was the plan to stage an English replica of the Sofia cathedral explosion. This belated "gunpowder plot" fake seems to have been given up. The unforeseen outcome of the Sofia conspiracy in which a bomb planted by the Government's agents for the purpose of compromising the opponents of the regime, exploded at the wrong time, may have contributed to the abandonment of that plan.

### The "Zinoviev Letter"

Chairman: What do you know about the author of the famous so-called "Zinoviev letter"?

Defendant: When I spoke with Zhemchuzhnikov—he is a relative of Belgardt—and mentioned about Meyer having given him the photograph of a document about "Izvestia", he said to me: "I have not only that photograph but even the rough draft of the 'Zinoviev letter'."

From this conversation I gathered that the "Zinoviev letter" was written by Belgardt and Gumansky at Zhemchuzhnikov's place.

Chairman: What Zinoviev document are you speaking about? The one that was addressed to England, or that addressed to Yugoslavia; for apparently there were two "famous Zinoviev letters"?

Defendant: About the English letter.

Chairman: What else did you learn about that letter?

Defendant: In addition to what I knew about Belgardt that he was working in the intelligence service . . .

Chairman: Which Belgardt? Alexei Alexeievich?

Defendant: Yes. I knew that he worked in the British intelligence service. Furthermore, as Belgardt was associated with Gumansky, I knew that they were connected [with the British intelligence service] because Senator Belgardt, the father of Alexei Alexeievich, knew the English language very well and was acquainted with the British Ambassador in Berlin.

Chairman: Did Zhemchuzhnikov say that he was the author?

Defendant: Zhemchuzhnikov said that Belgardt and Gumansky wrote the letter in his apartment. "In my apartment"—he said—"that letter was written."

Chairman: That means in the apartment of Zhemchuzhnikov? Thus you know everything that is connected with the "Zinoviev letter" from what you were told by Zhemchuzhnikov, and indirectly by Belgardt?

Defendant: Yes.

Chairman: What was Zhemchuzhnikov in the past?

Defendant: I don't know.

Chairman: A Russian émigré?

Defendant: Yes.

Chairman: You were connected with him through your forgeries?

Defendant: He transmitted to me a photograph through Meyer.

Chairman: The Meyer who worked in the American Embassy?

Defendant: Yes.

Chairman: By whom were the authors of that letter paid and how much did they get?

Defendant: Zhemchuzhnikov was telling later that £80 were obtained for that letter.

Chairman: Who got it, and from whom?

Defendant: Belgardt.

Chairman: And from whom? Is this not known?

Defendant: From whom?—I don't know. We were simply talking and I know only what he said.

Associate Judge Minichev: Thus Belgardt and Gumansky were in the British intelligence service?

Defendant: Not only in the British intelligence service. When I spoke about Belgardt I mentioned that in view of the fact that his mother spoke Italian . . .

Prosecutor: What did Zhemchuzhnikov tell you about Belgardt and Gumansky? Where did they work?

Defendant: For the English.

Prosecutor: In what English institution?

Defendant: I couldn't answer that exactly because he mentioned neither an office nor the intelligence service nor anything else; the conversation was about the English, but he did not specify for whom he worked.

Prosecutor: Did he say that the British intelligence service ordered that letter from Belgardt and Gumansky?

Defendant: Certainly.

### The Westminster Abbey Plot

During the same session, the Prosecuting Attorney put the following questions to the defendant: In one of your depositions you spoke of documents being prepared concerning an explosion allegedly expected in the Westminster Abbey. Couldn't you explain to us what the matter was

about, who was engaged in the preparations, and when the affair took place?

Defendant: It is obvious that at the time when I was engaged in making up documents, plots for the fabrication of spurious documents were being devised continuously in those spheres of international espionage with which I was associated, because at that time revelations [directed against these documents] had been published. In a conversation which I had with Zhemchuzhnikov over a bottle of whiskey in the Stolkin restaurant, he told me that this was not yet all that was kept in store for the Soviet Union; that soon other things would follow, as there was information on hand that the Communist International was making preparations for the blowing up of the Westminster Abbey. In a heart to heart talk with him about this matter, I found out that the documents concerning the blowing up of the Westminster Abbey were being prepared by Belgardt and Gumansky . . .

Prosecutor: That means, those persons who, according to your information, were connected with the British intelligence service?

Defendant: Yes.

Prosecutor: But how was that explosion to take place? Was it to be prevented? Did he speak to you about that in his heart to heart talk?

Defendant: No, I don't know anything about that. I reported the conversation as it took place.

Prosecutor: Maybe Zhemchuzhnikov was referring to the famous historical "gunpowder plot"?

Defendant: No, he did not refer to that.

Prosecutor: He made no excursions into history—and you were not interested in history?

Defendant: No.

Prosecutor: You were more interested in geography—Bulgaria, etc. Well, you must have spoken about it with someone. At what time was that?

Defendant: It was approximately in the beginning of April [1925].

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## The Sentence

THE following are the most important passages of the sentence which was rendered in the case of Druzhilovsky:

In the name of the Union of Soviet Socialist Republics, the Military Section of the Supreme Court of the U. S. S. R., composed of Chairman V. V. Ulrich and Members P. A. Kameron and A. G. Minichev, and Secretary L. T. Pechkurov, and with the participation of R. P. Katanian, First Assistant of the Prosecuting Attorney of the Supreme Court of the U. S. S. R., and N. V. Komodov, Member of the Bar of Moscow Province, having, at the court sessions of July 8, 9, 11, 12, 1927, in the city of Moscow, examined Case No. 31/c, accusing Citizen Sergey Mikhailovich Druzhilovsky, son of a chief of police, aged 33, former officer of the Tsarist army and of the army of Yudenich, belonging to no party—of crimes dealt with by Sections 5 and 6 of the law concerning Crimes against the State—has found that it has been established by judicial examination:

That in May, 1919, Druzhilovsky deserted from the ranks of the Workers' and Peasants' Red Army in which he occupied a position of authority in one of the military schools of Leningrad. Having crossed the frontier illegally, Druzhilovsky entered the White Army of Yudenich in which he served as officer until the time of its destruction. Having settled in Reval, Druzhilovsky, by the end of 1920, entered the services of Boguslawski, the Polish Military Attaché in Esthonia, whom he systematically kept informed about the Soviet Delegation in Reval, giving at the same time sundry anti-Soviet information to the local paper, "Posledniye Izvestia" (Latest News), whose editor, Lakhnitsky, was connected with the Polish intelligence service. On January 16, 1921, Druzhilovsky was ordered to Riga and placed at the disposal of Lieutenant Bratkowski, representative of the second division [intelligence service] of the Polish General Staff. Upon suggestions from Bratkowski as well as from Lieutenant Klec who later took his place, Druzhilovsky, for the purpose of obtaining more trustworthy information about the Soviet Delegation, was trying several times to establish an agency among the employees of the latter and was also gathering all kinds of secret information about the composition of the personnel of the Delegation and its activities.

In May, 1921, Druzhilovsky was transferred to Warsaw and placed at the disposal of the second division of the General Staff, where he continued his activities of gathering information about the U. S. S. R., under the direction of the above mentioned Bratkowski who at that time occupied the position of Chief of the second division of the

Polish General Staff. During his stay in Warsaw, Druzhilovsky, for a certain period, was chief of an espionage group engaged in finding out among the Russian émigrés those hostile to the Polish Government. In the beginning of 1922, Druzhilovsky was temporarily directed to Rowno, having received from Bratkowski instructions to watch the activities of the smugglers of the border section, who were also engaged in espionage work for the Polish intelligence service.

In the summer of 1923, Druzhilovsky was transferred to Berlin, where he soon established relations with Morawski, an employee of the Polish Legation, and with Captain Paciurkowski, carrying out, under their instructions, various tasks concerning the gathering of news of interest to the Polish intelligence service, and in September, 1924, he was appointed to a regular position of informer about the activities of the Soviet Diplomatic Mission and the Soviet Trade Delegation in Berlin.

In December, 1924, upon suggestion from Captain Paciurkowski, Druzhilovsky, using a letterhead with the emblem of the U. S. S. R., made up a forged document allegedly representing instructions from the Executive Committee of the Communist International, signed by Kolarov, concerning the preparation of elections to the Executive Committee of the Red Labor Union International ("Profintern"). In this forged document mention is made, in a note to the fifth paragraph, of the alleged appropriation of \$40,000 to be transmitted in one payment to Comrade "Rutberg" for the needs of the Workers' Party, and of the monthly appropriation of \$25,000, beginning with January 1, 1925, full powers for the supervision over the expenditure of these sums being given to Comrades "Rutberg", Foster, Stoklitzky. The purpose of making up this forged document, as it appears from its contents, was the endeavor to prove the Workers' Party to be financially dependent upon the Executive Committee of the Communist International and upon the Soviet Government. This forged document, which was made up by Druzhilovsky, was sold to Seldes, manager of the Berlin office of the "Chicago Tribune", through the intermediary of Paciurkowski and the former "White" officer P. A. Hamm, an employee of the American Consulate in Berlin. Seldes, having found in the forged document that the name of the well-known American labor leader Ruthenberg was distorted into "Rutberg", asked for the presentation of documentary evidence proving the identity of these two names. For this purpose Druzhilovsky, on a letterhead of the office of the newspaper "Izvestia C.I.K S. S. S. R." (News of the Central Executive Committee of the Union of Soviet Socialist Republics) from which the text was chemically removed, typed that the money for the Workers' Party of the United States

is being sent to the address of Rutberg-Ruthenberg; in the same document it is also pointed out that the business office of "Izvestia" is a branch of the Executive Committee of the Communist International. Both forged documents were printed on February 15, 1925, in the "Chicago Tribune" and in the "New York Times", as one of the regular anti-Soviet sensational news items under the title "Russia Donates \$340,000 to Help Paint U. S. Red—Ruthenberg and Foster to Handle Funds."

In the beginning of 1925, Druzhilovsky fabricated a document, allegedly originating from the Communist International and addressed to the French Communist Party, concerning the creation by the latter of "special branches". Upon the advice of Captain Paciurkowski that document which had been made up on a similar letterhead as the American forged document, was sold to Lieutenant Vaillot, member of the French Military Mission in Berlin.

Later, upon orders from the above Vaillot, Druzhilovsky manufactured a forged document under the heading of "Instructions from the Communist International concerning the mutual relations between the Foreign Delegation of the Russian Communist Party and the members of the French Communist Party"; attached to these instructions was an accompanying communication written on a forged letterhead of the People's Commissariat for Foreign Affairs of the U. S. S. R. These forged documents were sold to Major Lorrain, member of the French Military Mission in Berlin; A. A. Belgardt (son of the former Senator Belgardt, adherent of the pretendent Cyril), an agent of the British intelligence service, took part in the making up of this forged document.

As a result of the "demand" for forged documents of the Soviet Government and of the Communist International, Druzhilovsky ordered in the beginning of 1925, at one of the Berlin printing offices, 100 letterheads with the hammer and sickle emblem and the inscription "I. K. K. I. Tsentralnaya Sektsia Otdela Vneshnikh Snoshenii (Executive Committee of the Communist International, Central Section of the Department of Foreign Relations). On one of these letterheads, upon instructions from Popov, the Bulgarian Envoy in Berlin, Druzhilovsky made up a communication of the Communist International to the Communist Party of Bulgaria concerning the intensification of party activities, and after that, upon instructions from the same Popov, a forged document was made up concerning the transfer of \$10,000 from the Communist International through Paster-Nadjiev for the organization of Communist nuclei in the Bulgarian army.

In March, 1925, upon instructions from the same Popov, Druzhilovsky composed, on the same letterhead, a forged document which made the

rounds of the entire European press, purporting to represent entirely secret instructions from the Executive Committee of the Communist International to the Bulgarian Communist Party, concerning its armed uprising on April 16, 1925, with detailed suggestions as to the technique of that rising. On the same forged document which Druzhilovsky signed with the invented name Dorot, there was also made up a corresponding resolution over the signature of S. Buzhansky.

In the same month of March, upon instructions from the same Popov, on a forged letterhead of the People's Commissariat for Foreign Affairs, a communication was made up concerning the payment, by the Commissariat for Foreign Affairs for the diplomatic mail of the Balkan Section, according to instructions from the Balkan Communist Federation attached to the Executive Committee of the Communist International.

In April of the same year, upon request and instructions from the same Popov, Druzhilovsky made up a forged "Order of the Executive Committee of the Communist International to the Chief of the Balkan Operating Center", according to which Comrade Dmitriev was appointed Head of the General Operating Balkan Center, while M. Krasovsky of the General Staff was appointed Chief of Staff. That document pointed to the necessity of physically doing away with the entire Tsankov cabinet as well as with General Lazarev and the leader of the Liberal opposition, Malinov.

This document, as well as some of the preceding forged documents, was printed by the Tsankov Government in the Bulgarian and European press, was made public by Tsankov in parliament, and was communicated to the Conference of Ambassadors in Paris, in order to obtain from the great powers the permission for an increase of the army by ten thousand men and to justify the massacres of workers and peasants in Bulgaria. This forged "order" was to prove that the Communist International was preparing a coordinated attack of the Rumanian, Polish, Czecho-Slovak and All-Balkan Communist front of Southern Europe, in order thus to secure for the Tsankov Government the support of the aforesaid countries in the struggle against the workers and peasants of Bulgaria.

Simultaneously with the preparation of forged documents for the Bulgarian government, Druzhilovsky, being in contact with Hamm, an employee of the American Consulate in Berlin, made up secret instructions of the Communist International, bearing the state emblem of the U. S. S. R., in which mention was made of the alleged appropriation by the Council of People's Commissars of the U. S. S. R. of \$20,000 from the secret fund, concerning which Pestkovsky [Soviet Diplomatic Representative] in Mexico was informed. In this

forged document the necessity was pointed out of physically doing away with Warren in case of his nomination to the post of Attorney General [of the United States].

In April, 1925, upon orders and instructions from Paciurkowski, Druzhilovsky made up two forged documents on letterheads bearing the emblem of the U. S. S. R., with the purpose of proving that "Moscow" was organizing revolutionary manifestations in Poland; in the first of those documents it was suggested to list the members of the Polish Communist Party, in particular those in the military establishments, and in the second document, addressed to the "Plenipotentiary Representative of the Communist International in Poland", an active manifestation of the Polish Communist Party on the national holiday of May 3 was suggested; it also contained an approval of the decision allegedly adopted by the Central Executive Committee of the Polish Communist Party, concerning terrorist acts against Grabski and other Polish Ministers. Upon Paciurkowski's suggestion, both documents, signed by the hand of Druzhilovsky with the name of Dorot, were delivered to Rettinger, representative of the Polish intelligence service.

In the middle of 1925, Druzhilovsky, upon suggestion from Rettinger, made up a forged document to the effect that the railway accident that took place in the Danzig Corridor, was allegedly carried out by German Communists. The Berlin Police learned about this forged document, the aim of which was to provoke a conflict between Poland and Germany, and arrested Druzhilovsky.

With regard to Druzhilovsky it has been, moreover, established that while he was staying in Berlin he was regularly meeting V. G. Orlov, the well-known counter-revolutionary and international spy whose apartment in Berlin was in the past the meeting place of B. Savinkov, Derental, Elvengren and the English spy Reilly. Druzhilovsky visited Orlov's quarters for the purpose of establishing connections with the world of international espionage, of studying its methods, and of manufacturing forged political documents. Having been expelled from the territory of Prussia in November, 1925, Druzhilovsky spent some time in Hamburg and then went illegally to Esthonia. In Reval, in the spring of 1926, he delivered to Lakhnitsky, an agent of the Polish intelligence service, a number of forged documents, in particular the forged document concerning the preparation of an armed revolt of the Communists in Latvia, Esthonia, and Finland.

On June 29, 1926, Druzhilovsky crossed the Soviet frontier illegally from Latvian territory and was arrested on the same day by agents of the State Political Administration.

Thus the guilt of Druzhilovsky has been established on the following points:

1. Since the end of 1920 until the summer of 1926, he was an agent of the second division [intelligence service] of the Polish General Staff; he was conducting espionage work against the U. S. S. R. and its diplomatic missions in Reval, Riga, and Berlin; he was gathering with regard to them all kinds of material and information bearing the character of state secrets—thus being guilty of a crime provided against in Section 6 of the law concerning crimes against the State.

2. Since the end of 1924 up to 1926 he was in the service of the second division of the Polish General Staff, for carrying out instructions of the officers of the aforesaid general staff and its officials. He was likewise receiving instructions from the Bulgarian Envoy in Berlin, from officers of the French Military Mission in Berlin, and from members of consulates in the same city. He was consciously making up and preparing for them spurious and forged documents, allegedly issued by the Soviet Government, or artificially connecting the activities of the Soviet Government with the Executive Committee of the Communist International, which might have resulted in violation or rupture of agreements concluded by the U. S. S. R., or of diplomatic relations with various countries or in other consequences,—which is a crime provided for in Section 5 of the same law.

On the basis of the aforesaid, the Military Section of the Supreme Court, taking into consideration the fact that the criminal activities of Druzhilovsky lasted over a period of several years and could have resulted in grave consequences affecting the interests of the U. S. S. R., and also considering that the international bourgeoisie, conducting an anti-Soviet campaign in a number of countries hostile to the U. S. S. R., including England, has lately to a great extent made use of forged political documents for the purpose of discrediting the government of the Soviet Republic—condemned Sergey Mikhailovich Druzhilovsky, aged 33, under Section 5, with the penalties stipulated under Section 2 of the law concerning crimes against the State—to the highest penalty—death by shooting, and according to Section 6 of the same law, providing for the same penalty, and jointly to death by shooting, including the confiscation of the personal property belonging to the convicted. The sentence is final and not subject to appeal.

(Signed) CHAIRMAN: ULRICH,

MEMBERS: KAMERON, MINICHEV,

Moscow, July 12, 1927.

# "Documents" for American Consumption

THE FIRST document made up by Druzhilovsky for American consumption, as referred to on page 144, was published in the "Chicago Tribune" of February 15, 1925, and in the "New York Times" of the same date. The following is a reprint of the item in question, as carried by the "Chicago Tribune" under the name of its correspondent:

## I.

### RUSSIA DONATES \$340,000 TO HELP PAINT U. S. RED

Ruthenberg and Foster to Handle Funds

By GEORGE SELDES

Berlin, Feb. 14.—A document which "The Tribune" had in its possession for several hours today—long enough to prove its authenticity and to photograph it—disclosed the fact that the Soviet Government, despite all statements that the communistic organization and propaganda have been given up in America as hopeless, has again begun an intensive campaign there.

The Communist International, which has proclaimed itself too poor to send money to countries where a world revolution is held improbable, has set aside \$340,000 for work in the United States. This money is to be spent at the rate of \$25,000 monthly, with an additional \$40,000 for initiating the work.

The document states that the money will be distributed by three agents, "Ruthberg, Forster, and Stoklitzky." Upon "The Tribune" correspondent's question as to whether the Ruthberg and Forster referred to in the document meant Charles E. Ruthenberg and William Z. Foster, who head the Communist movement in America, the informant brought out a second document.

### Fully Identifies Ruthenberg

This document, which was in the form of a letter written on stationery of the Communist official organ, the "Izvestia", and rubber stamped with Communist Party and Government seals, refers to Ruthberg and Ruthenberg as the same person. In fact, in one paragraph it calls this man by both spellings, thus: "Ruthberg has charge of distribution. We are sending Ruthenberg this money in dollars, etc." The signature on the document which "The Tribune" photographed is "Kolaroff", general secretary of the Communist International. In red ink appears the counter-signature, "Stuart". Stuart is an Englishman who figured in the Zinovieff letter incident during the British elections.

Particular stress is laid upon winning the American farmers to communism.

### Orders From Moscow

The complete document follows:

"Moscow, Dec. 16, 1924 (Secret). To the Executive Committee of the Northern United States of America. Instructions regarding preparations for the coming elections of the executives of the Profintern (trade or professional unions).

"One. The Communist Party must base its elections on the principles set down by the Executive Committee of the Third International which establishes unity of action and cooperation throughout the whole universe.

"Two. The Communist Party of the Northern United States must not identify itself with any political organization even when such organizations approach the ideals of the communistic program if they fail to represent the clearly defined platform of principles laid down by the Third International.

### May Work With "U. S. Peasants"

"Three. The Communist Party of the Northern United States is permitted to discuss questions touching elections and to collaborate with such peasant organizations whose programs conform to the rules promulgated in the instructions to the International Peasant League.

"Four. In the nomination of candidates, the Communist Party in the United States must diligently search the records with the single view of ascertaining the ability of the nominee as to active propaganda and his views on communistic ideals and war on the bourgeoisie and capitalist system.

"Remark. The Labor Party in the United States in conjunction with the Farmers' Federation is guided solely by instructions of the International Peasants' League.

"Five. The methods of election shall be prescribed by the Central Committee of the Communist Party of the United States, and shall be approved by representatives of the Executive of the Third International of each district. In virtue thereof the Central Committee of the Communist Party may in an extraordinary measure demand a special budget for each coming election for the guidance of the finance department of the executive committees.

### Announces Big Appropriations

"Remark. The Executive Committee of the Communist International has confirmed the appropriation to Comrade Ruthenberg of \$40,000 as an initial payment, and monthly payments from Jan. 1, 1925, of \$25,000 for the needs of the Labor Party. A working system was perfected by the October conference and was submitted to the office of the central federation, with recommendations for a coalition with labor organizations. The controlling power shall be vested in Comrades Ruthenberg, Forster and Stoklitzky.

"Six. The Executive Committee of the Communist International deems it premature to scatter the force of the party and demands extraordinary vigilance in an uprising of the proletarian masses. Ultimate success only will be accepted as justification for failure of the Central Committee of the Communist Party of the United States to adhere to the established regulations. It is the duty of the Communist Party of the United States to render aid in all economic strikes only so long as these do not prematurely assume a political turn.

### "For Guidance of U. S. Reds"

"The above regulations are for the guidance of the Central Committee of the Communist Party of the United States of America and the American secretary for propaganda, the office of the General Secretary of the International Peasants' League, the General Secretary of the Trade International and its representatives in Europe and America.

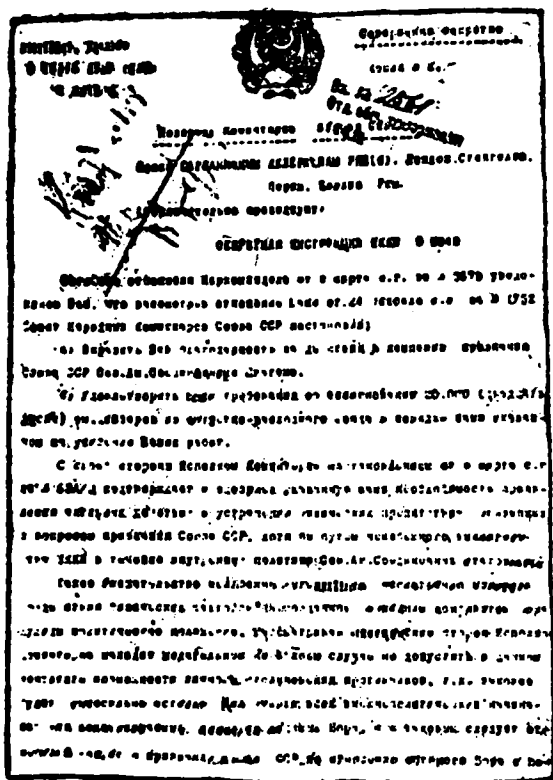
"(Signed) General Secretary of the International Executive Committee, Kolaroff. (Countersigned) Stuart."

This document was returned to the Bolshevik archives after being photographed. The photographs were submitted to experts including Americans, and pronounced genuine.—*Chicago Tribune*, February 15, 1925.

The "New York Times" printed the same item—omitting only the name of the "Tribune" correspondent and some of the headlines.

## II.

### Facsimile of Forged Document



Директору государственного  
спец. издательства переводов  
1921 г. Сергею-Андреевичу  
Маслаку 16.11.21

The translation of Druzhilovsky's handwritten statement placed underneath the facsimile of the "document" reads as follows: "This document is my fabrication and belongs to the period of 1925. Sergey Druzhilovsky, Moscow, July 16, 1926."

## TRANSLATION

**Kremlin, Moscow.  
March 9, 1925.  
No. 2271/Ts.**

[emblem]

**Strictly Private**  
**Copy No. 2**

## Plenipotentiary Delegation of the Communist International Second Section

**Copies for the Foreign Delegations of the R. C. P. (b)\* in  
London, Stockholm, Paris, Berlin, and Rome.  
(Exclusively for the Presidium)**

**Secret Instruction of the Ikki,† No. B842**

\* Russian Communist Party.

† Executive Committee of the Communist International.

In accordance with a communication from the People's Commissariat for Foreign Affairs, under date March 9, 1925, No. 3675, we have to inform you that, in view of your communication of February 24, 1925, No. 1752, the Council of People's Commissaries of the U. S. S. R. has decided:

(a) To express its gratitude for the active part you have played in the campaign for the recognition of the U. S. S. R. by the United States.

(b) To comply with your request for the assignment of \$20,000 (twenty thousand American dollars) from the secret service fund for the extension of your work in the way you have indicated.

On its side, the Executive Committee of the Communist International by its decision of March 9, 1925, No. 63 A. Ts., confirms and approves your suggestion that it is essential to take active measures for the removal of the material obstacles in the way of the recognition of the U. S. S. R., even if this should inevitably imply the interference of the Executive Committee of the Communist International in the internal politics of the United States.

Such interference cannot fail to be the outcome of the examination of the problems of the reaction of material factors upon the political position that will be created by the consequent conflict between Borah and Coolidge. In view of the interrelationships between the contending parties, the Executive Committee of the Communist International is of opinion that in this case also it is undesirable to allow the conflict to take the form of a personal clash between the adversaries. This would be tantamount to giving the death-blow "to all activities in the field of foreign policy," whether on the part of Borah's supporters or on that of his associates. The recognition of the U. S. S. R. comes within that category, and in relation to this matter Borah, in the position of an involuntary political leader, might easily forfeit a considerable part of the immense influence he wields.

The Executive Committee of the Communist International, in its interference in the political affairs of the United States, must endeavor, without drawing attention to what it is doing, to maintain the decisive significance of Borah's group as a voting power in the Senate. Should there be a personal clash, an accentuation of hostilities, this group will inevitably lose its value as regards those matters which are important to the Executive Committee of the Communist International and the U. S. S. R. Furthermore, should this happen, Borah will forfeit the possibility of counting in the future upon the support of Coolidge. Without such support, he will be unable to give an increased vitality to the plans he entertains. These considerations have weight notwithstanding the fact that the creation of friction between Borah and Coolidge is favorable to the furtherance of certain aspects of the policy of the U. S. S. R. towards the United States, a policy which down to the beginning of the series of incidents which opened with the prospective appointment of Warren, proved decidedly successful. The Executive Committee of the Communist International naturally believes that (should the campaign continue) the physical removal of Warren from the possibility of his accepting the post of Attorney-General, must take its place as one of the primary elements of the series of circumstances likely to mollify the political situation. This mollifying effect will declare itself in three ways. First of all, the opposition (which is now accusing Coolidge of a disregard of the rights of the Senate and of an attempt to violate the Constitution) will become less fierce. Secondly, the conflict, ceasing to be a personal one, will assume a more general form; instead of being a mere struggle about the appointment of Warren, it will become an intensification of the already manifest struggle for power between the legislature and the Executive, between the Senate and the President. Thirdly (and this is the most important of all),

there will be an improvement in the personal relationships between Borah and Coolidge. The result of this, once Warren is out of the way, cannot fail to be that Borah will in the future come to depend more upon Coolidge's support, in return for Coolidge's support of Borah as concerns questions of foreign policy in which the latter is interested.

As regards the final formulation of the mutual relationships between the Senate and the President, and in connection with the removal of the conflict from a personal to a general plane, it must not be forgotten that the original position of affairs demonstrated the impotence of the Republican majority in the Senate. Nor must we forget the damage which Coolidge's prestige consequently suffered. This loss of prestige was especially conspicuous in the field of foreign affairs, for, owing to the conflict between the President and the Senate, the Government was unable to secure the ratification of its treaties by the Senate. Thereby the position of the official and unofficial representatives of the United States, who were conducting diplomatic negotiations with foreign powers, was greatly weakened.

This last matter has its serious possibilities as regards the trend of the general policy of the Executive Committee of the Communist International and the U. S. S. R. Consequently, in view of all the possibilities that may arise, the tendency under consideration should only be encouraged if the Senate should be compelled to adopt a policy of general obstruction. We have to remember that the United States Senate has not, under the Constitution, the power of directing foreign policy. As far as international questions are concerned, it has no initiative whatever, and can merely endorse or veto the actions of the Government. Should the contemplated situation arise, should the Senate be forced into an obstructive attitude (and, we repeat, that will inevitably happen if Coolidge fulfills his threat of appointing Warren during the recess), it will be absolutely essential to undertake the physical removal of Warren. This will have to be done in order to prevent stagnation and possibly defeat, even though it will involve the forfeiting of Borah's influence as far as the foreign policy of the United States is concerned, with the hopeful possibilities of that influence as regards the recognition of the U. S. S. R.

It is therefore incumbent upon you, in the first place, to send at once to "ayet myok No. 27" in New York a sufficiency of the medico-chemical preparations at your disposal (with instructions how they can be used with infallible effect). The complete removal of Warren will get rid of the before-mentioned obstacles in the way of our acquiring further influence. In case of need, you must have recourse to the special deposit in order to open for "ayet" as large a current account as may seem to you advisable. The payments will be masked in the accounts of the People's Commissariat for Foreign Trade.

Secondly, you should at once get into touch with "beyonka", with whom Comrade Pestkovsky, on her arrival from Vera Cruz, must communicate through Ur. Galvan about the opening of an account for the sum of 20,000 American dollars in Stockholm assigned in accordance with the instruction of the Council of People's Commissaries of the U. S. S. R. (decision of the People's Commissariat of Foreign Affairs, March 9, 1925, No. 3675).

The duties of Galvan towards "beyonka No. 19" will be as follows: He must make her fully acquainted with what she has to do as regards Senator Borah. What she has to realize is that she must do her utmost to minimize the hostility between the contending factions. That is to be her leading consideration. She must, however, always bear in mind the unsettled problem of the U. S. S. R. Nor must she forget that her journey to Vera Cruz may remind Borah of his Aust. shares, in connection with which there was a risk of his losing a considerable sum of money.

Very likely, this will make him more amenable to her influence. Hence it is of the utmost importance that she shall be fully informed about all matters which may lead to a bettering of the personal relationships between Borah and Coolidge.

He must not let any opportunity slip. While observing all possible precautions and never relaxing his vigilance, he must maintain his conspiratorial activities at the topmost pitch; and he must continue to act upon "beyonka No. 19" in the name of the Nor. Am. Com. of Action. He must also act upon "ayet" No. 27, for the fulfillment of the instruction given to that organization (to which he will consider himself to be linked). He must with the utmost care, and by word of mouth, control the code. He must accurately fulfill your instructions, and must never delegate final and actual powers to any person out of which the latter might gather a hint as to the true position of affairs. Report when you have this matter in train, and keep me informed about every step you undertake. In case of need, use the A.L.Z. code.

(Out of the copy.)

In view of the foregoing, the Executive Committee of the Communist International instructs the presidiums of the foreign delegations of the R.C.P. (b), without delay, and by all the means at their disposal, to concentrate observation upon the activities of "myok No. 27, beyonka No. 19, and ayet", and, in due course, to send detailed information regarding the underground work of the American Foreign-Political Trio.

By order of the Executive Committee of the Communist International.

General Secretary of the Communist  
International,

DOROT.

*On occasion of the tenth anniversary of the establishment of the Soviet Republic, which will be celebrated in the U. S. S. R. on November 7, 1927, the next issue of the "Soviet Union Review" will be devoted entirely to the economic and cultural achievements of the Soviet Union for the past ten years.*

# SOVIET UNION REVIEW

Twenty-Five Cents

November-December, 1927

Vol. V. Nos. 11-12

November 7  
1917



November 7  
1927

**Tenth Anniversary of the Soviet Republic**

**Ten Years of Soviet Foreign Policy**

**The Nationalities of the Soviet Union**

**The Red Army 1917-1927**

**Labor Unions in the Soviet Republic**

**Position of Women in the Soviet Union**

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VLADIMIR ILYICH ULIANOV (N. LENIN)

# SOVIET UNION REVIEW

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## The Soviet Decennial

**T**HE TENTH anniversary of the establishment of the Soviet State will be celebrated November 7.

Many changes have occurred since the hazardous days when Lenin and his associates captured power with the aid of the workers', peasants' and soldiers councils. Russia then was wrecked and starving as a result of the World War. Over four million of her young men were killed or missing on the battle fields and another five million had been crippled or wounded. The distressed country was called on to face several more years of bitter civil war, foreign invasions and blockade, while famine stalked in the cities and disease swept the land.

Foreigners who visit the country today will note a complete recovery. If they have been in Russia in the pre-war days they will observe that no trace remains of the old feudal forms of society. These were swept away in the great uprising. The Soviet Union, from its own resources and energies, is creating a wholesome, new, well-ordered life on the basis of State and cooperative ownership.

The U. S. S. R. is not yet a prosperous country according to American standards. In industrial development it is half a century behind the United States. But it has entered upon a period of carefully planned progression. Great strides have been made in both agricultural and industrial efficiency. For the past three years the country has been sharply on the up-grade. Electric power development, the extension of railways and commercial air lines, the construction of new and highly mechanized plants and factories are now moving forward at an accelerating pace. American machinery and American technique are playing a part in this upbuilding, though up to this time under marked handicaps as compared with German machinery and technique.

The new economic structure established in the Soviet Union, still in process of evolution, is developing along definite lines. Public, private and cooperative commercial and industrial enterprises run parallel and competing. In agriculture about 98 per cent of the output comes from individual producers, who, however, hold their land for use only and who market their products through extensive cooperative and other organizations. Trade is open and free, with cooperative enterprises conducting about 44 per cent of the total, state organizations 34 per cent, private traders 22

per cent. Relatively the cooperatives are gaining, the State organizations holding their own, the private trade receding, despite its annual increase in volume. Credit, transport, communications and most industries are conducted under State auspices. About 85 per cent of the industrial output comes from organizations working under a federal plan of development, responsible to the State through the Supreme Economic Council for efficiency, quality of product and profitable operation, but enjoying a certain measure of administrative autonomy within their own spheres. Foreign trade is a State monopoly, with cooperative organizations and a few mixed companies operating in collaboration with the State trading bureaus. Natural resources are held in trust for all the people, with a number of concessions operated by private interests under leaseholds.

The enormous destruction of basic capital during the periods of war and civil strife has created a great need for capital, but the country has already rehabilitated its national economy from its own resources, and can continue a steady advance without foreign aid. The investment of foreign capital would, however, speed up the tempo of economic progress.

In taking account of stock at the end of ten years the Soviet Union may well take pride in this economic achievement. It has other vital causes for self-congratulation. The standard of living of the working masses has risen to a marked degree. The many minor nationalities within the Union have been established on a basis of local autonomy, with freedom to develop their own social customs and cultures. Education has advanced far beyond the pre-war levels, the inherited scourge of illiteracy has been vigorously attacked, and universal public education promises to become a reality during the next five years. Scientific work is registering notable triumphs and is assisting materially in building better farms, better factories and a sturdier population, besides preparing for a wider exploitation of natural resources. Public health and sanitation have made great strides—the death rate in Moscow today is half the pre-war rate and it compares favorably with the rates in American cities.

These manifold achievements enter vitally into the daily lives of the population. They make the decennial a celebration in a very real sense. The main tasks lie ahead, but a substantial foundation has been laid.

## The Soviet State—the First Decade

**F**IVE years of bitter struggle for existence against the disintegrating forces of civil war, invasion and famine, five years of reconstruction and development—that, roughly speaking, has been the history of the first decade of the Soviet State, which concludes November 7, 1927.

The complete recovery of the U. S. S. R. and its advance are exemplified along many lines. The population, according to the census of 1926-27, is 146,304,931, several million greater than the population of the same territory in 1913, and a gain of 15,000,000 in the past six years. The industrial output for the fiscal year ending September 30, 1927, was appreciably greater than the pre-war output, and the rate of recovery is indicated by the fact that in the fall of 1921 the rate of industrial production had dropped to 15 per cent of the pre-war rate. During the past three years the crops have approached close to the average pre-war harvest in the same territory, and in 1927 the sown area was nearly double that of 1922. Railway mileage is close to 47,500 miles, as compared with about 36,000 miles in 1913.\* Passenger and freight traffic have passed the pre-war figures. Average daily freight car loadings for the past fiscal year have been 27,300, as compared with 17,400 two years ago.

Since the year of drought and famine in 1921, agricultural production has advanced steadily year by year, with the exception of a bad harvest in 1924 in certain territories. The gross grain crop in 1926 was 74,385,000 metric tons, about equal to the pre-war harvest in the same territory. The grain crop of 1926 showed an increase of 7 per cent over that of 1925, 60 per cent over 1924. Detailed figures for the harvest of 1927 are not yet available, but it is estimated that the grain yield was somewhat lower than 1926, with the so-called technical crops substantially higher. Among the technical crops cotton and sugar beets approached the pre-war level in 1927, flax and hemp had reached a higher point, and potatoes and oil seeds have been above pre-war production since 1924.

For the agricultural year ending June 30 last purchases of grain and oil seeds from the farmers aggregated 11,200,025 metric tons, an increase of 18.5 per cent over the preceding year. On the list of grains wheat was the leader, with a gain of 61.8 per cent. Exports of grain were upwards of 2,500,000 tons, an increase of 26.2 per cent over the previous year. Wheat exports doubled as compared with 1925-26.

All branches of livestock except horses have increased to pre-war numbers. The number of tractors in use this fall was about 35,000, as compared with 12,500 two years ago and about 500 before the war.

State, private and cooperative enterprises compete freely in the industrial field; but while in agriculture nearly 98 per cent of the output is the result of individual enterprise, about 85 per cent of the industrial output is under the aegis of the State. The industrial capital stock distribution is as follows:

	1923-24 Millions of Rubles	1926-27 Millions of Rubles
State .....	4,735	5,750
Cooperative .....	172	197
Private .....	661	709

During the past Soviet fiscal year all the major Soviet industries, except the metal industry and ore mining, passed the pre-war rate of output. The coal output was 7 per cent above 1913, the oil output (about 10,200,000 metric tons for the year) surpassed 1913 by 10 per cent, cotton textiles by about 6 per cent. The figures for oil production indicate that for 1927 the Soviet Union will rank second among the oil-producing countries, a position held by Mexico for the past decade. Oil exports for the past year were about double those of 1913.

Industrial progress during the past three years, with the comparison of 1913, is shown by the figures for average monthly output in four key products:

### Average Monthly Production

	1924-25	1925-26	1926-27†	1913
Coal (metric tons).....	1,373,000	2,035,400	2,533,064	2,363,000
Oil (metric tons).....	580,050	684,600	841,850	767,990
Pig Iron (metric tons).....	107,700	182,889	246,283	350,500
Cotton Cloth‡ (1,000 meters).....	124,918	169,200	196,600	186,500

The industrial output generally increased nearly 20 per cent in 1926-27, as compared with the previous year.

For the fiscal year begun October 1, 1927, the sum of \$609,754,840 has been allotted for capital improvements in industry, about 19 per cent more

\* About 6,000 miles were built during the first three years of the World War.

† On basis of 11 months of fiscal year ending Sept. 30.  
‡ Finished.



A. I. RYKOV  
Chairman of Council of  
People's Commissars



F. E. DZERZHINSKY  
Late Chairman of Supreme  
Economic Council



J. E. RUDZUTAK  
People's Commissar for  
Transportation



G. Y. SOKOLNIKOV  
Former Commissar for Fi-  
nances under whose guidance  
the ruble was stabilized

M. I. KALININ  
Chairman of Central Execu-  
tive Committee of Soviet  
Union

than the amount spent last year and 50 per cent more than in 1924-25. More than one-fourth of the amount will go for the erection of new plants. About 70 per cent of the total will be used for the expansion of the metal industries, the fuel industry (oil, coal, peat) and the textile industry. The total allotment is derived from profits, depreciation account, and from governmental budget appropriations from revenues and internal loans.

Not included in these figures are governmental appropriations of nearly \$75,000,000 for the further development of its system of regional super-power plants. Before 1913 there was only one electric plant in Russia rated as high as 20,000 kilowatts. There are now nearly a score of regional plants in operation, ranging from 20,000 to 60,000 kilowatts capacity. Work on the Dnieper River plant, which will cost, with collateral undertakings, \$70,000,000, and will be larger than the plant at Muscle Shoals, was begun last spring. Capacity of large electric power plants in the Soviet Union is double that of pre-war.

In industry the Soviet Union is now producing many products whose manufacture was unknown in Russia before the war. These include steam turbines, airplanes and tractors. The output of agricultural machinery last year was double the pre-war figure.

For a period after the close of the war the foreign trade of the Soviet state was virtually nonexistent. The annual turnover has increased from a bare \$100,000,000 for 1922-23 to close to \$800,000,000 for the past fiscal year (October, 1, 1926, to September 30, 1927) with a favorable balance of over \$30,000,000 for the year. The turnover is still but a little over half of the trade of the former Russian Empire, including Poland and the border states.

The Soviet Union was the first of the larger European nations involved in the war to restore its currency to a gold basis. This was effected in the summer of 1924, and since that time the budget has been balanced without resort to paper issues. The State Bank of the U. S. S. R. recently increased its capital to \$128,625,000, making it one of the largest banking institutions in the world. On July 1 last its balance sheet stood at \$1,844,156,626, an increase of 58 per cent over Sept. 30, 1925. Deposits and current accounts were \$660,370,994, an increase of 35 per cent for the period.

Cooperative organizations play an increasing part in economic development in the Soviet Union and their membership during the past few years has grown far beyond the pre-war figure. Their business turnover in 1925-26 was close to five billion dollars. The Consumers Cooperatives (Centrosyus) operate upwards of 65,000 retail stores. Their aggregate membership is 12,000,000 and their share capital close to \$35,000,000. Three

years ago their membership was about 7,000,000. During this same period the Agricultural Cooperatives have increased their membership from 2,500,000 to over 7,500,000. Cooperative organizations are responsible for 44 per cent of the internal trade of the country (as compared with 28 per cent in 1923-24) and about 10 per cent of the foreign trade.

The improvement of the position of workers has been marked since the revolution. In 1921 wages had fallen to one-third of the pre-war scale. Thereafter there was a steady rise and during the past few months they have been above the pre-war level. That is, by March, 1927, the average monthly wage was 104.4 per cent of that of 1913, while the average wage per hour was nearly 30 per cent above 1913. In addition the collateral gains of labor have been considerable. These include nominal or free rent, social insurance covering unemployment or disability, an annual fortnightly vacation with pay, free factory creches and dispensaries, etc.

National wealth in 1926-27 was 61,500,000,000 rubles (\$31,672,500,000) an increase of about 6,400,000,000 rubles in the past three years.

National income for 1925-26 showed an increase of 25 per cent in two years. The figure was 18,507,000,000 rubles (\$9,531,000,000). The distribution, greatly changed as a result of the revolution, is as follows:

	1923-24 Millions of Rubles	1925-26 Millions of Rubles
1. Agriculture .....	6,910	10,500
including hired workers..	264	417
2. Non-agricultural (urban) population.....	4,340	8,007
a. Wage workers.....	2,450	5,407
b. Rest of population.....	1,890	2,600
Total .....	11,250	18,507
Total wage workers.....	2,714	5,824

The economic recovery of the U. S. S. R., begun in 1921-22, when the productive agencies of the country were in a state of complete prostration, has been effected almost wholly without foreign aid, and in the face of an intermittent financial blockade extending to the present day. The country begins its second decade with its new economic basis firmly established, a "going concern," with a carefully worked out plan of development and progress. There is every reason to have confidence that the end of the next ten years will see the country well advanced on the road towards a full and comprehensive use of its natural resources and a high degree of industrial achievement according to the best western standards. The first steps towards these goals have already been taken.

## Ten Years of Soviet Foreign Policy

**D**URING the first five years of the Soviet State its foreign policy was dictated largely by the defensive necessities of the moment.

After the new Government was formed it was immediately menaced by outbreaks of civil war in a dozen sections, while advancing German armies threatened the capital and held a number of important economic points. The first necessity was to carry out the mandate of the masses for the establishment of peace. The Russian armies were disintegrating, and the peasant-soldiers by the thousands were turning their backs on the war. They had voted for peace, as Lenin tersely remarked, "with their heels." The German leaders were well aware of this, and their terms were accordingly made stringent. The treaty signed at Brest-Litovsk in March, 1918, was a bitter one for the new Soviet State.

However, it gave a breathing space, which proved to be sorely needed. In May the Czechoslovak war prisoners in Siberia, who were in process of repatriation via Vladivostok, unexpectedly turned westward, overthrowing local governments in their path and at Kazan, on the Volga, capturing a substantial part of the Russian gold reserve. Coincidentally came invasions of Soviet territory at Vladivostok and Archangel by Entente forces. The "independent" Government of Georgia, formed originally under German auspices, was taken up by their British successors in the Caucasus, and British statesmen began to talk comfortably about developing the oil fields of the Caucasus under British auspices.

In 1919 came the armies of Kolchak, Denikin and Yudenich, hurling themselves against the Soviet power from the east, south and northwest, armed and financed by foreign powers. They advanced rapidly but the populations in their rear rose against them. In 1920 the Poles inspired with the idea of establishing a "Greater Poland" from the Baltic to the Black Sea, began a great offensive into the Ukraine and White Russia. They were beaten back to the gates of Warsaw, but re-enforcements led by French officers flung back the Red Army and an armistice was signed in Soviet territory. At the same time Wrangel, the successor of Denikin, started a northward campaign from the Crimea and was immediately recognized by France. This did not save him, however, from the fate of his predecessors. In 1921 came the unsuccessful revolt of Kronstadt. During the same year the new economic policy was inaugurated.

Up to the spring of 1921 the Soviet State was held under strict diplomatic and economic blockade. Normal diplomatic relations were effected,

however, with the border states. In March, 1921, a trade treaty was signed with Great Britain and in the spring of 1922 the treaty of Rapallo was signed with Germany. By this time the European statesmen had come to realize that the new Soviet State could not be crushed by force. In 1922 the Soviet Government was asked to send delegates to the conferences of Genoa and the Hague. As far as the Soviet Government was concerned, these conferences proved fruitless—the foreign diplomats wanted too much—but they opened the way to more normal foreign relations.

The economic blockade continued, though not with sustained effectiveness. Publicists have pointed out that while at the conference at Genoa and the Hague the diplomats moved brightly in the foreground, European oil magnates sat close behind the scenes. The rich oil fields of the Caucasus influenced profoundly the foreign relations of the Soviet State. Under the Tsar they had been developed in large measure at haphazard. Oil bearing lands were bestowed as imperial gratuities on court favorites or interests that tickled the palms of corrupt officials, and labor conditions in the oil fields were disgraceful. The fields had been nationalized in 1918, and plans for modernization and development drawn up, awaiting the opportunity for practical operation. The foreign oil interests, seeking control of the fields, started a campaign for denationalization, and in the fall of 1922 they signed a protocol agreeing to boycott Russian oil until the Soviet Government agreed to their demands for at least a partial restoration of the old system. Within three months after signing the protocol the Royal Dutch-Shell people were buying Soviet oil and other foreign interests followed suit.

In 1924 Britain, Italy, France and other countries accorded de jure recognition to the U. S. S. R. and in January 1925 Japan did the same.

Meanwhile the Soviet Government was developing a foreign policy of live and let live based on the needs of peaceful internal reconstruction and the development of trade with other countries. The foundation of this policy was set forth by Mr. Rykov, Chairman of the Council of People's Commissars, in an address before the Central Executive Committee, March 3, 1925. He said:

"The principles of our international policy are founded on economic co-operation and the assurance of peace. . . . The establishment of normal diplomatic and commercial relations with additional countries widens the basis of our struggle for peace and furnishes new opportunities for concentrating all the energies of the Soviet Union on the work of reconstructing our economic life,



L. B. KRASSIN  
Late Soviet Representative in  
England



C. G. RAKOVSKY  
Former Soviet Ambassador  
in France



M. M. LITVINOV  
Assistant Commissar for  
Foreign Affairs



L. B. KAMENEV  
Soviet Ambassador in  
Italy

G. TCHITCHERIN  
People's Commissar for  
Foreign Affairs

improving the governmental administration, and on the struggle for the cultural development of the masses of the people."

A policy of co-operation and amity was pursued with those countries which formerly had been under the constant threat of Tsarist imperialism. As early as 1918 the Soviet Government wiped out with the stroke of a pen the rights of extraterritoriality and other imperialist privileges which the Tsarist Government had wrung from successive Chinese administrations. These renunciations were embodied in the treaty signed with China in 1924. Because of sentiment and because a new, strong, united China promised to be a better and safer neighbor than a China torn by various war lord bandits serving various foreign imperialists, the Soviet Government looked with friendly eyes on the efforts of the Chinese people to establish a nationalist Government and assume control of their own affairs. The same spirit was guiding the Soviet Government's policies towards such countries as Turkey, Persia and Afghanistan with whom friendly relations were established and trade increased. The outspoken attitude of the Soviet Union in favor of a real independence of the eastern countries and subjugated nationalities greatly enhanced the respect enjoyed by the Union on the part of these countries and nationalities.

With the western border states the Soviet Government pursued a progressive policy of friendly development. Its aim has been to secure with these countries a series of non-aggression pacts and agreements providing for progressive disarmament. Hostile European influences have retarded the achievement of these aims, but partial successes have been recorded.

By 1926 it appeared on the surface that relations with the larger western nations were greatly improved. In Germany, early in 1926, a 300,000,000-mark credit for Soviet trade was established under the auspices of the German Government. In Britain the credit situation for trade showed steady improvement. The exposure of the anti-Soviet forgery mill conducted by Druzhevsky in Berlin had cleared the atmosphere of a number of sturdy misapprehensions. The campaign of hostile lies from émigré and other sources seemed somewhat abated. It appeared that the Soviet Union was entering upon an era of more normal relationship with other countries.

Towards the end of the year negotiations were in progress concerning the marketing of Soviet oil in foreign countries, between representatives of the Soviet Oil Syndicate and representatives of foreign oil interests. Formulas were being worked out for the distribution of the Soviet product. In this connection an agreement was reached, accepted by the foreign companies, cov-

ering "compensation" for foreign claimants of Russian oil lands.

The conferences broke early in January 1927 when Sir Henri Deterding, representing Royal Dutch-Shell, insisted upon a monopoly of Soviet oil export and a limitation on Soviet exports of crude oil.

Thereafter began a campaign against the use of Soviet oil in England and a series of sharp attacks on the Soviet Union in a section of the British press. The situation was aggravated by irritation in certain circles in Britain over Nationalist successes in China. The attacks increased in intensity. In May came the Arcos raid and the breaking of relations by the Baldwin Government.

In the summer the newspapers reported that Sir Henri Deterding and certain foreign associates were seeking a monopoly for oil distribution in France, where Soviet oil sales had made heavy gains in the past few years. Sir Henri Deterding's effort failed. Thereafter, in certain French newspapers, was started a heavy barrage of attacks against the Soviet Union, curiously similar to the attacks in the British press following Sir Henri's failure to secure a monopoly of Soviet oil export. The attacks spread. An announcement from Moscow that an agreement had virtually been reached for the funding of the Tsarist debts contracted in France seemed to stir the die-hards to more frantic efforts to break relations. In October the French Foreign Office requested the recall, as *persona non grata*, of Mr. Rakovsky, the Soviet Ambassador who had conducted the difficult debt negotiations for a long period. A new Soviet Ambassador has since been appointed.

Thus after ten years the economic and diplomatic blockades sporadically continue. There has been a revival throughout the world of slanderous and absurd stories about the Soviet Union. Sir Henri Deterding has recently launched in the United States a publicity campaign against the Soviet oil industry.

In any summary of Soviet foreign relations it would be absurd to ignore these tendencies or underestimate their sinister significance. There is no indication that events will force the Soviet Government to deflect from its policy of building up peaceful and cooperatively profitable relations with other countries. Its responsible spokesmen have often expressed the country's willingness to make notable concessions in order to assure itself the opportunity to develop its national life along the new lines, but the time has gone past when foreign interests, by threats or with the aid of diplomatic pressure, can secure control of vital natural resources held in the name of the entire people of the Soviet Union. The country, from its own effort, is now a going concern. Productivity

has passed the pre-war level. The three great oil fields in particular are in better shape, physically and economically, than before the war, and their output during the past fiscal year was 10 per cent greater than in 1913. It would appear that the people of the Soviet Union are justified in taking the view that in the long run the size and richness of their country, along with their own orderly development, must outwear the hostile attacks, and that time is on the side of patience and constructive effort.

## The Nationalities of the Soviet Union

THE forcible submission of numerous non-Russian nationalities under the rule of the Russian Tsars began in the sixteenth century. The conquering march of Russian imperialism was directed first toward the East where the resistance was weaker. By the end of the eighteenth and in the beginning of the nineteenth century a number of western nationalities suffered the same fate.

In the second part of the nineteenth century the Russian Empire occupied one-sixth of the territory of the globe, with one-tenth of its total population. It is understood that in the great empire the interests of the Great-Russians (Russians proper) or more correctly, of its privileged classes, were placed above those of the other nationalities, which constituted the majority of the population, the Russians forming at that time only 43.3 per cent of the total.

All the various nationalities—there are 193 of them at present within the borders of the Soviet Union, each of them with its own language and its own national culture—were trying to oppose the forcible Russification and the economic pressure to which they were subjected by the Tsarist Government. All these tendencies were meeting with the most ruthless repression on the part of the old rulers.

The Revolution of 1917 appeared to the educated classes of the various subjected nationalities as the first step towards the realization of their dreams of complete national independence or at least of a far-reaching autonomy. The Provisional Government of Kerensky, however, did not see it that way. In spite of its declarations about "national liberty," it had no intention of giving up its "rights" concerning these nationalities.

The November Revolution of 1917 offered a practical solution of the problem of nationalities. Basing itself upon the decisions of the First and Second All-Russian Soviet Congresses, the Council of People's Commissars proclaimed a few days

after the establishment of the Soviet Government:

1. The equality and sovereignty of the various peoples of Russia.
2. Their right of free self-determination, including separation and constitution of an independent state.
3. The abrogation of all national and national-religious privileges and restrictions.
4. The free development of national minorities and ethnographical groups, inhabiting the territory of Russia.

The Third All-Russian Soviet Congress which took place in January, 1918, indorsed the above declaration and decided that "The Russian Soviet Republic has been established as a federation of national Soviet Republics on the basis of the free union of free nations."

Notwithstanding all the difficulties by which the Soviet Government was faced during the first three years of its existence, due to civil war and intervention, it consistently carried out its national policy. A special organ was created for that purpose—the People's Commissariat for Nationalities—which was entrusted with carrying out the principles proclaimed by the Soviet Government, among all the various nationalities, in accordance with their customs and the particular conditions of their life.

With regard to the practical measures taken by the Soviet Government relative to the recognition of national self-determination, it is to be noted that in December, 1917, the Soviet Government recognized Finland's right to detach herself from Russia, thus putting an end to many conflicts which in the past had arisen on that score. As regards the Ukraine, the Council of People's Commissars, in a statement made on December 3, 1917, recognized the Ukrainian People's Republic, "its right completely to separate from Russia, or to start negotiations with the Russian Republic concerning mutual relations on a federative basis" . . .

Prior to 1920-21 when the civil and foreign wars were finally concluded, the Soviet Government extended its authority only over the territory of what is called the Russian Socialist Federated Soviet Republic or Soviet Russia proper. This territory embraced, in addition to the purely Russian areas of European and Asiatic Russia, a number of autonomous republics and areas constituted along national lines. There were eight original autonomous republics and thirteen autonomous areas. Some of these autonomous republics have, with slight territorial modifications, retained until now their original status within the R. S. F. S. R., such as the Bashkir and Tatar

Republics in the eastern part of European Russia, the Crimean Republic in the South, the Daghestan Republic in the North Caucasian region, and the Yakut Republic in Eastern Siberia. The Mountain Republic in the Caucasus was subdivided into a number of autonomous areas, the Kirghiz Republic was renamed "Kazak Republic," and its territory was practically doubled by merging with the northern part of the Turkestan Republic which in 1923 ceased to be an administrative unit, two new constituent republics, the Uzbek and the Turkoman Republics having been formed in the southern and southeastern part of its territory. A few of the autonomous areas, such as the Karelian, the German-Volga and the Buryat-Mongol areas, have in the meantime become autonomous republics.

After the conclusion of the civil war in 1920, the Ukraine, freed of the armies of the Russian and Ukrainian counter-revolutionists, became a Soviet Republic after the model of Soviet Russia with which it entertained a loose alliance. A similar process took place in the three Transcaucasian republics, Azerbaijan, Armenia and Georgia, which in March, 1922, formed a Transcaucasian Federation of Soviet Republics. White Russia, on the northwestern outskirts of Soviet Russia had already declared itself a Soviet Republic early in 1919.

In December, 1922, delegates of the Russian Socialist Federated Soviet Republic, of the Ukrainian Soviet Socialist Republic, of the White Russian Soviet Socialist Republic and of the Transcaucasian Socialist Federated Soviet Republic, met in Moscow at the Tenth All-Russian Congress of Soviets. Delegates from the Chorasman (Khiva) People's Soviet Republic, and the Bokhara People's Soviet Republic were also present. The Congress adopted a resolution calling for a closer union of the four Socialist Soviet Republics—not including the Khiva and Bokhara Republics because they were not Socialist Republics. Thus the Union of Soviet Socialist Republics was constituted. After the administrative regrouping of the territories of the former Turkestan Soviet Socialist Republic and of the Soviet People's Republics of Khiva and Bokhara, two new Socialist Soviet Republics, Uzbekistan and Turkmenistan, joined the Union of Soviet Socialist Republics in 1925.

In accordance with the Federal Constitution adopted on July 6, 1923, the Soviet Union is a voluntary association of its constituent sovereign nations, each republic reserving for itself the right of free withdrawal from the Union.

The supreme organ of authority is the All-Union Congress of Soviets. This is composed of

representatives of town and township Soviets, and of provincial Congresses of Soviets.

During the interval between the All-Union Congresses of Soviets, the supreme authority devolves upon the Central Executive Committee, consisting of the Council of the Union and the Council of Nationalities.

The Council of the Union is elected by the Congress from representatives of the six constituent republics, in proportion to their population, in all to a total of 450 members.

The Council of Nationalities is formed of representatives of the Constituent and Autonomous Republics, five delegates from each, and of representatives of autonomous areas, one delegate from each, in all 131 members.

The administrative division of the Soviet Union along national lines safeguards the unhampered development of the national culture of the numerous non-Russian nationalities. Provisions have also been made to secure the same rights to the national minorities in the various regions having a mixed population.

Newspapers, magazines and books are being published in fifty-two languages. The number of newspapers issued in the Soviet Union in the languages of the non-Russian nationalities is 210. To this number are to be added one hundred and thirty magazines. These papers cater first of all to the needs of the backward peasantry which is only now beginning to wake up to cultural life. It is in consideration of the needs of these backward nationalities, mostly of Islamic culture, that successful attempts are being made at present to introduce the Latin alphabet in the place of the complicated and inadequate Arabic alphabet hitherto the sole alphabet in use in the Islamic world.



J. SVERDLOV

First Chairman of All-Russian Central Executive Committee. Died in 1919

## The Red Army 1917-1927

EVER since the first weeks of the March Revolution of 1917 a vigorous movement was started in the large factories of Petrograd for the creation of an armed force—the Red Guard. The plants of the Viborg district and the famous Putilov works were in the forefront of that movement. As far back as those days the militant elements of the Putilov plant were using the term "Red Army." By July the Red Guard of Petrograd counted 10,000 fighters who took part in the unsuccessful July revolt against the Kerensky Government. The failure of that attempt caused a partial disbandment of the Red Guard which was then forced underground. By September the Red Guard organized its general staff which in October took up its residence in the Smolny Institute, the headquarters of the Petrograd Soviet.

The organization of the Red Guard in Moscow was proceeding at a slower pace. Nevertheless, on the eve of the November Revolution of 1917, the Moscow workers formed detachments of the Red Guard. The same thing occurred in the Ural, in the Donetsk coal basin, in Tula, Odessa, Taganrog and a number of other places.

The Red Guard was organized as follows: the smallest fighting unit was a group of ten; four of such groups constituted a platoon; three platoons a "druzhina"; three "druzhinas" a battalion; in addition there were special detachments—bicycle, telegraph, machine gun, etc. Two or more battalions formed regional sections with their own staffs. The supreme command over all detachments was concentrated in the hands of the general staff at the Smolny Institute, which was composed of representatives of the Petrograd Soviet, of the Bolshevik Party and of the Red Guard. The military operations in Moscow were conducted by the Central Staff of the Red Guard consisting of representatives of the Moscow Soviet, of the trade unions, and of commanders of regional detachments.

General Kornilov's march against Petrograd for the purpose of establishing a dictatorship of Tsarist generals gave a powerful stimulus to the strengthening of the Red Guard. Kerensky's Provisional Government, not knowing where to look for support, did not oppose the arming of the working masses, and thus precipitated the hour of its own downfall.

On the eve of the Revolution, in the first days of November, the armed workers were not only full of enthusiasm and faith in their cause, but represented, if not a regular army, at least a well drilled and consolidated Red Guard equipped with 35,000 rifles and a great number of machine guns and armored automobiles.

The uprising against the Provisional Government began on November 7, 1917 (October 25 on

the old Russian calendar). Red Guards and the sailors carried on the main fight against the cadets and the shock battalions which constituted Kerensky's main defense. According to a well-prepared plan, the Red Guard, having seized all the means of transport and communication, occupied the most important Government buildings. The garrison went over to the workers.

Kerensky's attempt to regain power with the help of Cossacks and guard regiments taken from the German front, failed. His attacks, as well as those started by various White generals in several parts of the country, were repulsed during the first months of 1918.

By that time the old army had completely disintegrated. The detachments stationed at the front lost all fighting capacity. Leaving the trenches, they began to disperse to their homes. Availing themselves of that situation, the Germans began a vigorous offensive in the course of which they occupied Dvinsk and Pskov and threatened Petrograd.

The German offensive against Petrograd meant the end of the Red Guard period. It was necessary to prepare for a serious and protracted struggle against the numerous enemies of Soviet Russia. It was obvious that crowds of revolutionary enthusiasts were not able to struggle against the counter-revolution which was being supported by foreign powers. In March, 1918,



L. D. TROTSKY  
Head of Red Army During Civil War



K. E. VOROSHILOV  
People's Commissar for Army and Navy

Leon Trotsky was placed at the head of the War Department. Throughout the entire territory of the Soviet Republic a feverish activity was started for the organization of a regular army.

The Red Army began to attract into its ranks military specialists from the old Army. Through a process of selection and adaptation to the new surroundings, the Red Army acquired a group of devoted and active military commanders.

At the same time the institution of military commissars was introduced. These commissars were entrusted with the task of supervising the activities of the military specialists who quite often betrayed their men to the opposing "White" forces. This institution also gradually diminished the Soviet Government's dependence upon these specialists by enabling thousands of commissars to learn the art of war and in their turn to become commanders and military experts. Out of scattered groups of partisans and Red Guards the military commissars created the numerous army of the Russian Revolution. It is they who "made over" numbers of former Tsarist officers and reconciled them to the new order. It is they who roused the Russian peasantry to the defense of the Revolution. As the development of the Red Army and its institutions went on, the military schools turned out thousands of Red Army officers whose devotion to the new system was beyond question. As a result, the importance of the

military commissars is being gradually reduced.

The original decree concerning the creation of the Red Army provided for a system of voluntary enrollment. But soon it was necessary to resort to obligatory service of all workers and peasants not employing hired labor.

The achievements of the Red Army are a matter of history. Its initial defeats and final triumph over all its enemies on seventeen fronts, when the Soviet Republic was not only cut off from its fuel, iron and grain bases, but was even deprived of anaesthetics for its wounded soldiers, form the great epic of the Revolution.

In the beginning of 1920, at the time of the greatest economic disorganization and exhaustion of the country, the Red Army contributed its share towards the reconstruction of the Soviet Union. The fighting forces of the country were made over into labor armies which during the period of greatest distress helped in restoring the destroyed railroads, in increasing the supply of fuel and of the most necessary raw materials. It was a temporary measure which was rendered unnecessary when the process of peaceful reconstruction was well under way.

During the period of the Civil War the country had over 5,000,000 men under arms. By the end of 1920 the Army numbered 5,300,000—the highest point reached. Since then there has been a constant reduction in the size of the Red Army. By September 1, 1921, it numbered 1,800,000; by December, 1921, 1,600,000 and by September 1, 1922, only 825,000.

At the beginning of 1923 there was a further reduction to 610,000, including absolutely all land, naval and air forces, and the total strength at present is 562,000.

Before the war the Tsarist Government maintained an army of 1,400,000, and this was increased to 1,800,000 in the early days of 1914. According to data given in 1925 by M. V. Frunze, late People's Commissar for Army and Navy of the U. S. S. R., the Soviet Union had in that year 41 soldiers for each 10,000 inhabitants; Rumania and Poland 100 each, France, exclusive of colonies 200, etc., so that the nations of Western Europe had from three to five times more soldiers in proportion to their population than the Soviet Union. Similarly, while the expenditures for the army did not even come up to 3 rubles (\$1.50) per capita of the population, in the Baltic States they amounted (in 1925) to \$3.50 per capita, in Poland to \$5.50 and in France to \$7.00.

The insufficiency of the defense of the maritime frontiers of the country has early been a stimulus for the development of its air forces. An appeal to the population to assist the Government in this task has met with a vigorous response, in the form of the activities of the "Society of Friends of the Airfleet," which was founded in 1923 and set for itself the task of creating a powerful air-



J. V. STALIN  
General Secretary of Communist Party

fleet. Soon after its foundation this organization merged with the "Society of Friends of Chemical Defense" which originated in 1924. The combination of these two organizations first known under the name of "Aviakhim," but recently renamed "Ossoaviakhim" (Society for Promoting the Defense, Aviation and Chemical Industry of the U. S. S. R.) has recently taken stock of its activities up to the tenth anniversary of the Soviet Republic. It has 33 aviation and chemical museums, 33 clubs, 1,178 circles interested in aviation and chemical defense, 1,942 libraries, 1,283 airfleet circles, 202 chemical laboratories, 27 permanent exhibitions, 3,063 circles for military studies, 4,207 rifle shooting circles, 617 medical circles, 836 shooting stands, 300 aviation and chemical detachments and 7,466 experimental agricultural plots for probing mineral fertilizers. It has a membership of about 2,000,000.

The following data show the growth of the cultural and educational activity in the Army: In 1926 the number of schools in all branches of the Army amounted to 6,122 with an attendance of 166,012 students. The number of clubs was 757, of educational "red" corners 5,348, of educational groups 11,158 with 203,000 participants, libraries 1,690 with 429,000 readers, i. e., practically the whole of the Red Army which comprises 562,000 men. The above figures show what tremendous activity is being carried on for the political and cultural education of the Red Army soldiers.

## The Party of the Revolution

IN THE beginning of 1917 the Communist Party of the Soviet Union, then known as the Bolshevik wing of the Russian Social Democratic Labor Party, had about 23,600 members. During the first years of the Revolution the pace of the Party's growth was exceedingly rapid and early in 1921 its membership was twenty-five times as large as in 1917. The following table shows the continuous growth between 1917 and 1921:

### Growth of Party from 1917 to 1921

Year	Members
1917	23,600
1918	115,000
1919	251,500
1920	431,400
1921	585,000

The first years after the inauguration of the new economic policy witnessed not only an interruption in the growth of the party, but even a considerable reduction in the number of its members. A general clean-up of the party which took place in 1921 resulted in the elimination of about one-fifth of the total membership, in accordance with the decision of the Twelfth Congress of the Communist Party concerning the non-admission of non-proletarian elements. This process of purification went on until 1924. The following table shows the membership of the party during the three years in question:

Beginning of	Members	Applicants on Probation	Total Communists
1922	402,000	112,800	514,800
1923	373,000	112,600	485,600
1924	350,000	122,000	472,000

With the beginning of 1924 the Party resumed its growth on a scale exceeding even the expansion it witnessed during the first years of the Revolution. A drive for new members—the "Lenin call"—started after the death of Lenin, resulted in 200,000 new applicants—almost exclusively factory workers. The growth of the Party continued during the subsequent months of 1924. Early in 1925 many party organizations repeated the "Lenin call," though to a somewhat smaller extent than during the preceding year. Later on, in the course of 1925, the number of applicants exceeded even that of 1924. The growth of the number of full-fledged members and applicants on probation, between January 1, 1925, and January 1, 1927, is shown in the following table:

On January 1	Members	Applicants on Probation	Total Communists
1925	420,670	351,370	772,040
1926	638,355	439,830	1,078,185
1927	734,072	397,184	1,131,256

The above figures do not include the Communists serving in the Red Army and in Soviet Government institutions abroad. The total number of Communists, including these two categories, was 1,210,755 on January 1, 1927.

The membership of the Party (including applicants on probation) as of July 1, 1926, was distributed as follows according to the six constituent republics:

R. S. F. S. R. (Soviet Russia proper)	788,050
Ukraine	165,953
White Russia	19,046
Transcaucasia	60,605
Uzbekistan	28,376
Turkmenistan	7,529
<b>Total U. S. S. R.</b>	<b>1,069,559</b>

To this total are to be added the 84,213 Communists listed by the political organs of the Red Army, and 1,371 Communists employed in the various Soviet institutions abroad, constituting a grand total of 1,155,143 Communists on July 1, 1926.

The Party includes members from among all the nationalities of the Soviet Union of which there are nearly two hundred. The highest percentages are recorded for the Great-Russians (Russians proper), the Ukrainians and the Jews.

The membership was distributed as follows, according to data for 1922 and 1925:

*Party Membership According to Nationality in Percentages*

	1922	1925
Great-Russians (Russians proper)	72.0	72.2
Ukrainians	5.9	7.0
Jews	5.2	3.9
Other Nationalities	16.9	16.9
	100	100

The percentage of Russians corresponds roughly to their percentage in the total population of the Soviet Union. That of Ukrainians is smaller, due to the fact that the cities of the Ukraine are to a very large extent inhabited by non-Ukrainian elements (Russians and Jews). The percentage of Jews in the Party (3.9) is somewhat larger than their percentage in the total population of the U. S. S. R. (2 per cent), due to the fact that they are mostly living in the cities.

On January 1, 1926, the Communist Party of the Soviet Union contained altogether 34,978 nuclei and 1,502 groups of applicants. Of the total number of nuclei, 4,988 were in the army, according to the records of the political organs of the Red Army. Among the nuclei listed by the party committees (i. e. the total number of nuclei exclusive of those in the Army) 53.4 per cent were composed of peasants, 24.7 per cent of industrial workers, 17.5 of employees of Govern-

ment institutions, and 4.4 per cent of other occupational groups.

As regards the number of Communists, however, the workers' nuclei occupied the first place. They comprised about half of all the party members and applicants—47.9 per cent; while the village nuclei numbered 24 per cent of the membership, and the employees of government offices 18.8 per cent.

The social composition of the full-fledged members of the party since the beginning of 1917 is shown in the following table:

*Social Composition of the Party in Percentages*

	Workers	Peasants	Office Workers and others
Beginning of 1917	60.2	7.6	32.2
1918	56.9	14.5	28.6
1919	47.8	21.8	30.4
1920	43.8	25.1	31.1
1921	41.0	28.2	30.8
1922	44.4	26.7	28.9
1923	44.9	25.7	29.4
1924	45.7	24.6	29.7
1925	50.6	27.8	21.6
July 1, 1925	56.5	23.3	20.2
January 1, 1926	62.6	19.9	17.5
July 1, 1926	64.3	18.7	17.0

The social composition of the total number of members and applicants is expressed by the following percentage figures:



N. I. BUKHARIN

Editor of *Pravda*, Central Communist Party Organ

*Social Composition of Total Membership in Percentages*

	Workers	Peasants	Office Workers and others
January 1.....1924.....	44.0	28.8	27.2
January 1.....1925.....	57.9	25.3	16.8
January 1.....1926.....	58.1	24.6	17.3
July 1.....1926.....	58.1	24.6	17.3

The figures given in both of the above tables refer to the social origin rather than to the actual occupation of the party members and applicants concerned. If the actual occupation is considered, then a somewhat different picture is obtained, as in the course of the ten years since the Revolution a great number of manual workers and peasants "worked up" to clerical and administrative positions in various Government institutions as well as in party and trade union organizations. Thus manual workers, actually occupied in factories, mines, the transport system, etc., constituted 40.5 per cent of the total party membership on July 1, 1926; the number of office workers (including party and trade union employees) was 34.4 per cent on that date, that of peasants (including farm-hands) 15.1 per cent, and that of all others, including students, soldiers, artisans, etc., 10 per cent.

The percentage of the "old guard," that is of those members of the party who had joined it prior to the Revolution of 1917, is very small, amounting to only 1.4 per cent of the present total. The ratio of those who joined during the civil war, between 1917 and 1920, is 41.2 per cent; due to the great restrictions imposed with regard to admission during the first years after the inauguration of the new economic policy, 1921-1923, the ratio of those who joined during that period does not exceed 9.6 per cent. Recent members who were admitted after 1924 constitute 47.8 per cent of the membership.

According to age the party membership is divided into the following groups:

	Percentage
Under 19 years of age.....	0.4
Between 19 and 23.....	17.1
Between 24 and 29.....	33.9
Between 30 and 40.....	35.5
Over 40.....	13.1

The percentage of those included in the most active age classes, i. e., between 24 and 40 years, was 69.4.

The number of women in the party is growing from year to year. The percentage of women Communists (including full-fledged members and applicants on probation) was 8.6 on January 1, 1924, 10.3 on January 1, 1925, and 12.8 on January 1, 1926.

For the younger generation the Communist Youth Society ("Komsomol"), an organization of

young people from 16 to 23 years of age, constitutes a kind of preparatory school for entrance into the Communist Party. According to data of September, 1926, the Society had 1,878,491 members and 133,566 applicants on probation, making up a total of 2,012,057.

Congresses of the Communist Party of the Soviet Union take place annually. They determine the general policy of the Party and, by implication, of the Government. They elect the Central Committee and the Central Control Commission which are the highest Party authorities during the intervals between the Party congresses. The plenary session of the Central Committee, jointly with the Central Control Commission, elects the Political Bureau, composed of nine members, which is the executive organ of the Central Committee. Joseph Stalin is the General Secretary of the Central Committee of the Communist Party of the Soviet Union.

## Labor Unions in the Soviet Republic

PRIOR to the Revolution of 1905 the Russian workers did not know any trade unions of the European or American type. The only form of association they knew were either secret unions such as existed in England a hundred years ago before the workers were granted the right to organize, or "loyal" trade unions founded by special police agents for the purpose of diverting the workers' attention from revolutionary activities. It was only after the Revolution of 1905 that trade unions in the modern sense of the word began to be formed in all industrial centres. By 1906 these unions counted upwards of 300,000 members.

With the downfall of the Revolution late in 1905 the trade unions were crushed mercilessly. The major part of them went out of existence, while a few of the unions went underground. It was only in 1917, after the final overthrow of Tsarism, that the trade unions developed into powerful and numerous organizations of the working class.

During the first half of 1917, the number of organized workers attained the figure of 693,300. It doubled in the course of the second part of that year and nearly reached the two-million mark (1,946,200) in the first part of 1918. The rapid growth continued through the years of civil war and war-time communism, when membership was compulsory for all wage workers and many non-proletarian elements, such as artisans and small employers joined the unions. The figures jumped to 3,706,800 in the first part of 1919, to 5,222,000 in 1920, and finally to 8,418,400 in 1921.

With the inauguration of the new economic policy, voluntary membership in the trade unions was introduced, and the above mentioned non-

working class elements excluded. This brought about a reduction of the membership to 6,740,000 on January 1, 1922 and to 4,577,400 on January 1, 1923. The improvement of the economic conditions of the country which set in during the fiscal year 1923-24, put a stop to this downward trend. Since the beginning of 1924, when the membership was 5,621,000, trade union statistics show a continuous upward tendency. The following year, 1925, shows a membership of 6,604,700 on January 1, and one year later (January 1, 1926) the number rose to 8,303,000. On October 1, 1926, the figure of 9,541,200 was reached, and in the latter part of the current year (1927) it was over 9,827,000.

The November Revolution of 1917 brought all the industries of the country under the authority of the Workers' State, and the trade unions found themselves faced by new tasks. They became agencies of the Government, entrusted with the task of organizing the industries and their labor force. Compulsory membership was a logical outcome of that situation.

The inauguration of the new economic policy which took place in 1921, involving the abandonment of the principle of complete nationalization of industries, the appearance of private capital in trade and industry, and the transition to State capitalism was bound to react upon the tasks and the activities of the trade unions. In 1922 the All-Russian Trade Union Congress decided that in view of the new economic situation the protection of the interests of the working class in its struggle against capital is to be from now on one of the main tasks of the labor unions. This shifting of the tasks of the trade unions to the protection of labor interests did not, however, change their attitude towards the Soviet Government.

As heretofore, the labor unions continued to work hand in hand with the Government towards the reconstruction of the economic life of the country and the strengthening of the Workers' and Peasants' State.

A change took place only in the form of the labor unions' participation in the country's economic and administrative activities. From now on the management of the factory, appointed by the higher economic body has become the sole organ responsible for the operation of each enterprise. Under the present condition the labor unions have no longer the right to appoint the managers of the plants and the other organs of industrial administration. They participate, however, in the discussion concerning the various candidates proposed for the managing positions, and put forward candidates from among the workers. Moreover, the trade unions are entrusted with responsible work such as participation in the planning and regulating bodies of the Soviet State. They also take part in the examina-



M. P. TOMSKY

Chairman of Central Council of Trade Unions

tion of the production programs and of the projects of combining various plants into trusts, or of leasing them out to private companies. Industrial rebuilding plans are likewise discussed by the representatives of the unions.

Another change consists in the fact that the establishment of wage scales by the Government, as practised during the first period, gave way to the conclusion of collective agreements between the labor unions and the managing boards (or private owners) of the plants. The unions are endeavoring to settle conflicts by peaceful means through proper agencies, such as conflict commissions, chambers of conciliation and arbitration courts. The application of the strike weapon is admitted by the unions only after failure of all attempts to settle the conflict peacefully.

The labor unions are carrying on cultural and educational activities on a large scale, through the organization of clubs, schools, all kinds of circles, the publication of newspapers and of all kinds of literature. Mutual aid, strike, cultural and unemployment funds have been created by the large federations of All-Union scope.

In connection with the trade unions there are at present 3,258 workers' clubs with 972,735 members. On January 1, 1925 the number of trade union libraries was 6,803; by January 6, 1926, this number had increased to 8,085.

## Trend of Wages and Labor Productivity 1917-1927

THE movement of wages during different periods in the Soviet Union has been organically bound up with the status and development of the country's economic life. With regard to wage conditions the decade beginning in October, 1917, may be divided into two parts. The first of these, which is connected with the years of civil strife and the disruption of normal economic activity, is characterized by a sharp decline of real wages. The second, which was accompanied by the rapid restoration of national economy and industry, is marked by the swift recovery and increase of wages. A considerable wage rise occurred steadily from year to year. In the great majority of Soviet industrial branches the pre-war wage level is no longer the goal. It has been exceeded in almost every branch, except the metal and coal industries, where the pre-war wages were comparatively high. The improvement effected in the material situation of the working class in the Soviet Union is shown by the following table presenting the trend during the past ten years, setting the monthly average for the year 1913 at 100:

*Monthly Wage Average*

<i>Year</i>	<i>Percentage of 1913</i>
1913 .....	100
1917 .....	73.4
1918 .....	43.3
1919 .....	34.9
1920 .....	34.1
1920-21 .....	33.3
1921-22 .....	41.0
1922-23 .....	49.2
1923-24 .....	67.1
1924-25 .....	82.6
1925-26 .....	93.7
1926-27 (1st Half) .....	100.0
1927 (March) .....	104.4

Thus, until the fiscal year 1921-22 wages showed a continuous downward trend. In 1922-23 the monthly wage of industrial workers amounted to only half of the pre-war average. The ensuing years reveal a swift recovery of the wage standard. The pre-war level was attained during the first half of the fiscal year 1926-27 and toward the close of this half-year period the monthly average already exceeded the pre-war figure by 4.4 per cent. It should be remarked that in conjunction with the reduction of working time and the introduction of the eight-hour day present wages have passed the pre-war average by a considerably greater margin than the foregoing percentage figure would indicate. As far back as 1924-25 Soviet workers were receiving an *hourly* wage equal to the pre-war average, while the hourly rate for March, 1927, exceeds the pre-war level by almost 30 per cent.

Moreover, the preceding figures still fall short of revealing the entire improvement effected in the economic status of the workers in the Soviet Union. In addition to the wages directly paid out to the workers, the industry of the U. S. S. R. bears supplementary disbursements on behalf of the labor force. In estimating the actual change in the situation of the workers these added charges, which have increased no less than four-fold in comparison with pre-war times, must also be taken into account. For the most part these supplementary labor charges are in the nature of wages, for they better the situation of the individual worker and of the working class as a whole. During the fiscal year 1925-26 these added disbursements amounted to 450,000,000 rubles (\$232,000,000) or 32.18 per cent of the amount paid out in direct wages. These auxiliary labor charges relieve the worker's budgets from quite a number of expenses which they would otherwise have to meet out of their direct wages. Thus, for example, the provision of free or reduced rate living quarters and public utility services under this arrangement relieve the workers of added expense for housing, heat, light, etc. The system of social insurance maintains the worker's standard of living during temporary loss of labor capacity, unemployment and illness. Other indirect wage charges borne by Soviet industry, such as disbursements for cultural needs, for the maintenance of creches, etc., have a similar influence upon the worker's budget. If these supplementary indirect payments are added to direct wages, the average monthly remuneration for the first half of the fiscal year 1926-27 amounted to 115 per cent of the 1913 average. This percentage is higher for various individual branches of industry, amounting to 176 per cent for the chemical branch, 171 per cent for the food branch, 163 per cent for the paper branch, and 152 per cent for the textile branch.

In addition to all the above-mentioned indirect labor disbursements the industries of the U. S. S. R. have expended over 200,000,000 rubles (\$103,000,000) during the past two years on workers' housing. Further, by virtue of the Labor Code the working class in the Soviet Union enjoys a number of privileges that improve its material position and that were unknown before the war: vacations (equivalent to about 4.5 per cent of total wages), short workday before holidays (equivalent to about 4 per cent of wages), and shorter working day for youths. Finally, the tax and housing laws of the Soviet Union grant the workers a number of privileges that likewise raise the standard of living of the working class.

Enlarged output, cheaper manufacturing costs, and the raising of the material and cultural level of the working class have become possible on the basis of a continued increase of labor produc-

tivity. The value of the output per worker per day has grown as follows:

#### *Growth of Labor Productivity*

<i>Fiscal Year</i>	<i>Output per Worker per Day in Pre-war Rubles</i>	<i>Percentage of 1922-23</i>
1922-23 .....	3.47	100
1923-24 .....	4.06	117
1924-25 .....	5.65	163
1925-26 .....	6.32	182
1926-27 (9 months) .....	6.94	200

The characteristic features of the trend in wages and labor productivity indicated above make it possible to affirm that the standard of living of Soviet industrial labor is undergoing systematic improvement. The further elevation of this standard remains one of the practical tasks facing the Soviet State. The fundamental requisite for its accomplishment is a further increase in labor productivity.

### Protection of Labor

**A**N ELABORATE code of laws for the protection of labor has been worked out in the Soviet Union. Contracts between workers and employers which bring labor conditions below the standards fixed under the Labor Code are considered void.

The Labor Code decrees that the working day shall not exceed eight hours. Under a recent amendment this has been reduced to seven hours, and the seven-hour work day will be applied to industries generally during 1928. Overtime work is permitted only under restricted conditions.

No child under 14 years may be employed in any factory in the Soviet Union. Persons under 18 years and over 14 years may be employed in restricted occupations and under restricted hours. The working day of persons under 16 years may not exceed four hours.

Expectant mothers engaged in brain or clerical work receive leave of absence for from two to three months for the period of childbirth; women in manual work may receive a leave up to four months. Pregnant women and nursing mothers may not be employed overtime. Assistance is given during confinement and the nursing period. Women may not be employed in especially wearing or unhealthy industries, or in underground or night work.

A weekly period of uninterrupted rest of not less than forty-two hours is fixed for all workers, and two weeks annual vacation with pay. Six compulsory holidays during the year are fixed by law, and in addition the local Labor Protection organizations arrange others up to the number of eight.

Collective agreements are the rule in industry. The hiring of labor takes place, as a rule, through the Labor Exchanges, which are local branches of the People's Commissariat for Labor, though this is not obligatory. All labor agreements, however, must be registered at the labor exchanges. Terms of hire cannot be below the minimum guaranteed by law. An employee can at any time cancel a labor agreement by giving his employer not less than a week's notice. The employer can discharge a worker (on two weeks' notice) only in cases definitely specified in the Labor Code (full or partial liquidation of the business, stoppage of business for a term exceeding a month, incompetency of the employee, systematic slacking, perpetration by the employee of a crime in connection with his work, or his imprisonment for more than two months, etc.). Employees and workers in case of illness retain their position for two months, receiving their salary in such cases from the Social Insurance Fund. A labor agreement can also be cancelled on the demand of the respective trade union.

The effective supervision of the observance by all enterprises, establishments, economic units and persons of the Labor Laws now in force is entrusted to the Department of Labor inspection. The Labor Inspector is not appointed by a Government department, but is elected by the trade unions. Not a single enterprise can be started or transferred to new premises without the permission of the Labor Inspector. Special technical and sanitary inspectors superintend the strict observance of the regulations for labor, hygiene, factory sanitation and safety.

### Social Insurance

According to the Code of Labor Laws, social insurance is compulsory for all workers, whether employed in State or in private institutions and enterprises. The insurance is a charge against the employing industry. Social insurance includes:

1. Medical help.
2. Temporary incapacity relief (sickness; disablement; quarantine; childbirth; sick-nursing a member of the family).
3. Special assistance (for infant nursing, sick attendance, and burials).
4. Unemployment relief.
5. Permanent disablement relief.
6. Assistance, in the event of the breadwinner's death, or in the case of dependents being abandoned by the breadwinner.

The fund for social insurance is formed of the contributions\* of those who insure—(businesses, institutions, works, private persons who use hired

\* Constituting a certain percentage of the wages of their employees.

labor) and from other sources of income which do not affect the earnings of the workers.

The number of social insurance offices at the beginning of 1924 was about 760. The number of persons who were insured at the beginning of 1923 was 4,900,000, at the beginning of 1924 the number reached 5,500,000; in January, 1925, it had increased to 6,430,000; in January, 1926, it attained eight million; and at the end of 1926 it exceeded nine million workers and office employees.

Until 1925 the chief branch of social insurance, i. e., relief for temporary working incapacity, was carried out to the full. That is, an insured worker, when ill, received an amount equal to his ordinary wage. The benefits in respect of temporary incapacity have been, however, reduced, on account of the enormous increase in the number of applications, and in consequence of large numbers of workers being sent to sanatoria and health resorts.

According to current practice a full pension for disabled workers will amount to two-thirds of their actual earnings. The families of deceased or missing workers who were insured will receive up to two-thirds of the full pension of an invalid worker, depending upon the size of the family.

## Position of Women in the Soviet Union

IN THE Soviet Union women enjoy complete equality with men under the law. The members of each sex have the same privileges and the same responsibilities. As early as 1919 Lenin was able to say: "Of those laws which placed women in a subject position not a trace remains." Under successive progressive legislation the new status of women has been further assured. Her position has been completely changed since the days of the Tsarist empire. In increasing numbers women have taken advantage of their new opportunities. Many of them have risen to high places in public life and in cultural or economic work. They hold posts of importance in the trade union organization and in the cooperative movement which plays an important part in the national economy. In the R. S. F. S. R. (Soviet Russia proper), containing about 70 per cent of the country's population, nearly 142,000 women are elected members of rural soviets, the governing bodies of the villages, and 15,400 have seats in urban soviets. Throughout the country over 700 rural soviets have women as chairmen. In the Federal Congress of Soviets 193 women have seats. In the higher professional colleges upwards of 35 per cent of the students are women studying for degrees in engineering, medicine, agriculture, pedagogy, economics or art.

In domestic life women were placed on an equality with men under the marriage law

adopted in 1918. This equality was further established and new protections guaranteed to women and children under the revised law which became operative at the beginning of 1927. The legalization of common law marriages under the new law was one of the steps for the better protection of women. Under the Soviet marriage laws each party to a marriage retains his or her property. The wife does not have to change her residence with her husband unless she desires. In the event of divorce, in case one party to the union is incapacitated, the other must provide support for one year. Divorces may be secured by both parties to a union, acting together, or by one. In the latter case, if the other party opposes, court proceedings are held. Rigid provisions are contained in the law for the maintenance of the children. The law makes no discrimination against children born out of marriage. On proof of paternity support is exacted from the father for the children, and for the mother as long as she is unable to support herself.

The increasing participation of women in public life is shown in the following tables.

Percentage of women in All-Union Congress of Soviets:

First Congress.....	3.5
Second Congress.....	3.8
Third Congress.....	7.1
Fourth Congress (1927)	8.2 (number, 193)

Percentage of women in All-Union Central Executive Committee—the executive governing body of the Congress:

First Congress.....	2.4
Second Congress.....	2.6
Third Congress.....	5.5
Fourth Congress.....	8.0 (68 members)

Women elected to village soviets in U. S. S. R. (except Armenia):

	<i>Total Members Elected</i>	<i>Women Elected</i>	<i>Percentage Women</i>
1925.....	.....	.....	9.0
1926.....	1,168,000	116,700	10.0
1927.....	1,255,600	141,800	11.3

Women elected to urban soviets in R. S. F. S. R. (Soviet Russia proper):

	<i>Total Members Elected</i>	<i>Women Elected</i>	<i>Percentage Women</i>
1925.....	26,600	4,900	18.5
1926.....	60,600	12,000	20.0
1927.....	72,500	15,400	21.3

The percentage of women elected to urban soviets in 1927 was 15.9 in Ukraine, 15.7 in White Russia, in Transcaucasia 13.5. The statistics show that the larger the industrial population of

the city, the higher the percentage of women elected.

In 1926 women formed 25.3 per cent of the membership of trade unions. Their numbers in these organizations had increased as follows:

*Women in Trade Unions*

1923.....	1,465,400
1924.....	1,519,720
1925.....	1,752,725
1926.....	2,217,200

On local factory and plant committees the percentage of women members was 18.5 in July, 1927. In January, 1927, there were 64 women in the presidiums of 47 provincial trade union councils, as against 37 women in January, 1926. The percentage of women in the presidiums of the central committees of trade unions was 2.4.

At the beginning of 1927 there were in R. S. F. S. R. 35 women serving as district judges, 165 serving as justices of the peace, 21 as assistant judges and 53 as "people's inquest judges" (examining magistrates).

The women who hold important governmental administrative posts include Mme. Lenin, Chairman of the Department of Political Education; Mme. Trotzky, Chairman of the Committee for the Preservation of Art Museums; Mme. Kollontai who has served as ambassador to Norway and to Mexico; Mme. Kameneva, Chairman of the Committee on Cultural Relations with Foreign Countries; Mme. Bitzenko, Director of the Cooperative Institute; Mme. Yakovleva, Assistant Commissar for Education of Soviet Russia proper.

Early in October of the current year, on the eve of the Tenth Anniversary celebration, an All-Union Congress of Working and Peasant Women was called in Moscow. The Congress is composed of delegates of local soviets, i. e., of women who are actually participating in the administration of the State. Its aim was to take stock of the achievements of the last ten years and to point the way to a further advancement of the cause of actual equality of working women, particularly in the rural regions and among the Eastern nationalities of the Soviet Union.

## Maternity Insurance in the U. S. S. R.

UNDER the laws of the Labor Code female clerical and manual workers in the Soviet Union are granted a leave of absence of from 12 to 16 weeks in the event of childbirth. During the entire period they are paid their full wages out of the social insurance funds. Women engaged in manual work are allowed 8 weeks before and 8 weeks after childbirth. The leave granted to clerical and brain workers is somewhat shorter



N. K. KRUPSKAYA (MME. LENIN)  
Chairman of Department of Political Education

—6 weeks before and 6 weeks after parturition. The longer period of 16 weeks is also accorded to brain workers in a number of special classifications, including physicians, nurses, hospital nurses, typists, attendants in psychiatric hospitals, physicians and nurses employed in country districts, in home service, in traveling surgical and infectious disease clinics, and in pre-natal clinics, dentists in ambulatory service units, pharmacists and others. In addition to this parturient female workers and parturient wives of male workers receive from the insurance funds for the purchase of the so-called child's "trousseau" a subvention amounting to half of the monthly sustenance average established for the locality in question.

Beside the above, during the first nine months after childbirth insured females and the wives of insured males are allotted a bonus for child feeding in the amount of one quarter of the allowance for child's "trousseau," i. e., the equivalent of one eighth of the monthly sustenance average for the given district. This does not conclude the care given by Soviet law to pregnant and parturient women. They get free medical aid and advice for expectant mothers and for infants, and creches

as well as maternity homes are at their disposal. Nursing mothers are relieved from work every three hours to feed their infants, etc.

The Soviet social insurance system expends great sums on maternity protection. The expenditure under this head was 52,500,000 rubles (\$27,000,000) during the fiscal year 1924-25 and 94,000,000 rubles (\$48,400,000) during 1925-26. In 1924-25 the disbursements in connection with insurance risks applying to female labor constituted about 18 per cent of the entire budget for Soviet social insurance. There is no other country in the world where women are protected by social insurance to the same extent as in the Soviet Union.

Because of the fact that it leads to the improvement of the physical welfare of the working class maternity insurance is practised in the Soviet Union on a larger scale than any other form of social insurance. The Soviet social insurance system, having been in existence five years, is exercising a marked influence upon social insurance legislation abroad. In many phases of its work it is becoming a model for insurance laws in numerous other countries.

## Public Education in the Soviet Union

ELABORATE plans for the development of public education in the Soviet State were drawn as early as 1918, but the years of counter-revolution and invasion long delayed their application, except in a meagre way. The shattered resources of the country were wholly absorbed in the struggle to live. Until 1924 the impoverished condition of the country held back educational development. Since then educational gains have been rapid. The educational system is still drawn thin in many provincial sections, it is still hampered by lack of equipment, but it has shown a hardy, vigorous growth. The sums devoted to the educational system are now well above pre-war, the number of schools and pupils is well above the pre-war figure. The increase in institutions of higher education, especially in technical colleges, has been particularly marked. According to the carefully worked out plans general compulsory education will be in force throughout the Soviet Union not later than 1933.

Education in the Soviet Union follows the general American plan in being a charge against the budgets of the six Constituent Republics and against local budgets. About two-thirds of the appropriations are local. Expenditures under local and republican budgets for popular education in the fiscal year 1926-27 aggregated 669,000,000 rubles (\$344,535,000), as compared with 558,000,000 rubles (\$287,370,000) the previous year.



A. V. LUNACHARSKY  
People's Commissar for Education

According to data issued by the Central Statistical Administration there were 3,000,000 more pupils in primary and secondary schools in 1926-27 than in 1914-15. The figures:

### *The School System in 1914-15 and 1926-27*

<i>Public Schools</i>	<i>Number Schools</i>	<i>Number Pupils</i>
1926-27 .....	106,729	9,800,000
1914-15 .....	104,610	7,200,000
<i>Secondary Schools</i>	<i>Number Pupils</i>	
1926-27 .....	783,000	
1914-15 .....	564,000	

The number of pupils in 1926-27 showed an increase over 1914-15 of 35.1 per cent for primary schools, 38.7 per cent for elementary schools, 102 per cent for vocational schools, 48.8 per cent for institutes of higher education.

On December 1, 1926, there were 46,759 "stations for eliminating illiteracy" with 1,515,969 pupils. Of these 88 per cent were in villages. It was stated that since 1921 about 5,300,000 persons, mostly adults, had been taught to read and write in such stations.

As early as 1925 there were over three times as many students in the institutions of higher education as there were in pre-war days. Students are prepared for these universities not only by the colleges and secondary schools, but also by

the Workers Colleges ("Rabfacs"). There were 114 of these "Rabfacs" last year with nearly 50,000 students.

Under the public school system that has obtained in the Soviet Union pupils pass from the pre-school institutions into 7-year-course schools, which include four years of primary work and three of advanced grades. This system is gradually being changed into a 9-year system, four years of primary work and five in secondary courses. Much attention has been devoted to kindergartens and other pre-school organizations, which were virtually unknown under the old regime.

The work of elementary education is being conducted along modern lines. The chanting of dull lessons in arithmetic, geography, spelling, in unison, in the class room, is being done away with. The curriculum is related progressively to the life of the pupils and their parents, the life of their city or village, the problems of their country. The children absorb their needs in the fundamentals in the course of working out problems of life in which they have immediate concern, and they develop their mental powers by application to problems of real interest to them. The transition of the teachers to the new system has not always been easy, but the children get much more interest and enthusiasm out of their work, with corresponding gains in mental competence and alertness.

The educational program is conducted under the general direction of the People's Commissar for Education in each of the Constituent Republics. Attached to each Commissariat for Education is the Chief State Political Education Committee whose main task is the stamping out of illiteracy.

## Cultural Needs of the Workers of U. S. S. R.

SINCE 1924 the trade unions have been conducting a systematic study and investigation of the mode of living of the workers of Moscow, Leningrad, the Ural Region, the Don Basin, and other parts of the Soviet Union. The investigation work is being conducted as follows: A number of working families whose mode of living may be considered as most typical of their region, are being studied in the course of a year, the investigators visiting each of these families regularly twice a month. In addition, each of these families, upon request of the investigators, is to enter day by day, its daily income and expenditure in the course of the whole year. The results of both the personal investigation and the daily en-

tries furnish a complete picture of the mode of living of a workers' family; living quarters, material and cultural needs, the development of the members of the family, the influence of each of them upon the general mode of their family life. The material thus collected was arranged in a systematic way. The results obtained, though not always complete and exact, give, nevertheless, a truthful picture of the life and the cultural needs of the workers. After the examination of about one thousand workers' families, the following conclusions have been reached:

The cultural needs of the workers, both spiritual and material, have grown considerably during the years of the Revolution, with greater emphasis upon the material side of life. The workers use the largest part of their resources for the improvement of their living quarters, for the acquisition of clothing, furniture and utensils. A very small part of their earnings is used by the workers for purely spiritual needs, such as books, shows, and papers. This is to be explained by the fact that under the Soviet regime the spiritual needs of the workers and their families are to a very large extent taken care of by the various cultural and educational organizations, such as libraries, reading rooms, educational courses—all of which are free of charge. This attitude denotes also the tendency of the workers to reestablish their household belongings that had been destroyed during the years of warfare. Thus a process of slow accumulation of material cultural values is going on among the workers.

According to the results of the investigation, great influence upon family life is being exerted by the workers' youth which crowds the clubs, courses, lectures, and circles. Under the influence of the younger generation both the cultural and material aspects of family life are undergoing a gradual change. The culture acquired by the younger set in the various educational organizations contributes to the elevation of the intellectual level of the family. An analysis of the cultural needs of the workers' families has shown that they are interested mainly in matters of public concern, as evidenced by the reading of newspapers and the discussion of politics and current topics. Much less time is being devoted to literature proper and in general to problems of artistic creation, though a great advance is to be noticed in this respect, too.





KARL RADEK  
Outstanding Soviet Journalist

## Ten Years of Soviet Publishing Activity

THE past decade is naturally divisible into two periods: 1917-1920 and 1921-1927. The first of these, being an epoch of war, is, of course, not characteristic or indicative of the development of Soviet publishing activity. The second period, which is, on the contrary, one of peaceful, constructive effort, presents the following picture of the growth of publishing work in the Soviet Union:

Year	Number of Titles	Number of Copies Printed
1921.....	5,000	28,000,000
1922.....	11,000	37,000,000
1923.....	19,000	64,000,000
1924.....	29,000	109,000,000
1925.....	35,000	180,000,000

In 1926 the increase rate of new editions showed some slackening. During the current year the output of publications has been steadily regaining its former pace.

A comparison of the foregoing figures with those of the record year for publishing activity in Tsarist times—1912 with 34,000 titles and a total printing of 133,000,000 copies—shows that the pre-war output was far surpassed in 1925.

However, the quantitative advance of the Soviet publishing industry is really greater than this,

since the pre-war figures apply to the entire territory of the former Russian Empire. Allowing for the fact that not less than one-fifth of the total pre-war book production fell to the share of areas now separated (Poland, Finland, etc.), not over 27,000 titles with an aggregate printing of 106,000,000 copies were turned out in 1912 within the present territory of the Soviet Union.

Moreover, the picture would not be complete, if nothing were said about the character of the publications. Contrary to pre-revolutionary Russia, where the press served chiefly the propertied classes and the intellectuals, producing only religious, fiction and chauvinistic literature for the "lowly" workers and peasants, the Soviet printing plants devote themselves entirely to the working masses, including, of course, the intellectuals.

Socio-economic literature ranks first in number of titles and stands high in total copies printed. Textbooks, which have an immense aggregate printing, come next in order, followed by popular scientific literature. Fiction and belles-lettres show a great increase, and the same took place with regard to children's books and books on co-operative activity.

At present the periodical press counts about 700 newspapers with a combined issue of over 8,000,000 copies per edition. Before the war only 2,500,000 to 3,000,000 copies per aggregate newspaper edition were printed for the entire territory of the Russian Empire.

Along what lines did this enormous circulation increase take place and into what categories do the newspapers fall? The following figures furnish an answer to this question. Incomplete statistics for 1926 show that there were 212 peasant papers, 81 workers' papers, 63 papers for Communist Youth, 54 papers of general circulation, 12 trade-union papers, 13 cooperative movement papers, more than 76 papers of mixed designation, and quite a considerable number of papers listed under the heading "other," i. e., newspapers that in reality were not distributed under the specific classifications owing to the inadequacy of the reports submitted. As a matter of fact, all the figures cited have been scaled down.

The circulation figures are very significant: in 1924 (mid-season) the aggregate circulation of the peasant papers amounted to about 500,000 copies; in 1925 there was a sharp rise to 1,500,000, and in 1926 the total almost touched 2,000,000. The circulation of the cooperative movement newspapers has also augmented greatly, amounting to more than 200,000 now in comparison with 90,000 for 1925. The circulation of the workers' and Communist Youth papers has undergone no marked change during 1926. At the present the Soviet periodical press is traversing an interval of stabilized circulation with a tendency to slow but sound growth.

With regard to magazine publications, it suffices to quote the following eloquent figures: before the war not over 1,200 magazine publications were issued on the present territory of the Soviet Union; at present there are not less than 1,400 with a combined annual circulation of at least 130,000,000.

It is particularly worth while to dwell on the situation of the periodicals published in the languages of the national minorities. Here immense progress has been made, both in the number of publications and in circulation. At the present time over 200 newspapers and at least 100 magazines are issued in these languages. And as short a time as two years ago only half this many were in existence.

## Russian Literature after the Revolution

**D**URING the first years after the Revolution, between 1917 and 1920, it seemed that literary production had come to a standstill. The old writers who had not become émigrés, maintained the old tradition. They failed to see that everything around them had changed radically, that a new type of reader had come to the fore, who, however, had but little time for reading. For he was either fighting at the front with a rifle in his hand, or working at his bench on a ration of two pounds of black bread per day.

Those old writers who, like Gorky and Veresayev, later found something to say to the new reader, were silent during those years. Only one of them raised his voice. It was Alexander Blok, already famous before the Revolution, who came out with two of the most outstanding poems of the epoch—"The Twelve" inspired by, and full of, the "Music of the Revolution," and "The Scythians" which in its appeal for peace and human brotherhood voiced the challenge of "Scythian," "Asiatic" Russia against a Europe in arms that was trying to crush the Revolution. And there was the futurist Mayakovsky, the poet who was nearest to the Revolution and who had fought the censorship in Tsarist times. He wrote propaganda captions for posters, he was the author of "The Left March" and "150,000,000." In those years that was considered a great deal.

During the civil war there were many fronts to be reinforced. The demand for artistic propaganda material was quite natural. There was no time for generalizations; it was impossible to think about form. The publications of the "Proletcult" (proletarian culture) movement printed the creations of young poets who played an important part in those days. They were hurling slogans to the masses whom they called to the defense of the Revolution. It matters little if much that was written by them was of no great literary value. It is important that for the first time the proletarian poets and writers of those years

found new subjects, handled new material. The formal reshaping of that material is still going on at the present time.

Then the civil war came to an end, and the Republic turned to peaceful pursuits. Putting down the rifle, recuperating after typhus and starvation, the novelists and poets set to work. They made use of all their experiences of those eventful years. Sergei Semionov wrote "Hunger" and "Typhus." Boris Pilniak gave "The Naked Year." Vsevolod Ivanov told about the Siberian partisans, M. Slonimsky about the disorganization of the Tsarist armies. N. Tikhonov, in his heroic ballads, revealed the romanticism of the Revolution. Mikhail Zoshchenko discovered for the first time the hitherto unnoticed Soviet "man in the street." Constantine Fedin, who tried his strength at short stories and tales from every-day life, wrote a big novel "Cities and Years"—a vast study in social psychology.

The Revolution attracted writers who were strangers to it in spirit. The greatest poet of the recent period Sergei Yessenin, found himself during the Soviet epoch, and although he rejected the revolution, he was, nevertheless, indebted to it for his creations. Most important of all are the writers who directly participated in the Revolution. They have produced a number of outstanding works which are ideologically clear and powerful. These include L. Malyshev's powerful



G. E. ZINOVIEV

Former Chairman of Leningrad Soviet

novel, "The Fall of Dair"; Lebedinsky's "A Week" and "The Commissars"; and the novels of the prematurely deceased A. Neverov whose "City of Bread" was recently published in English. "Cement," by Gladkov, is a mile-stone on the road to "Soviet Classicism," in spite of the shortcomings of this novel pointed out by critics. The "Iron Stream," by Serafimovitch, as well as the memoirs by Furmanov and Larissa Reussner are likewise noteworthy. The same romanticism of the civil war produced "The Wind," by Lavrentyev and "The Fall of the Republic Itel," by the same author, a work full of irony directed against the White Guard camp.

The striving for realism has replaced romanticism. Both "A Week" and "Cement" are realistic. Seifulina's novel, "Virineya," which created the unforgettable type of a heroic woman from the people—has the scent of the earth. The construction of a new social life is dealt with at the present time by many other writers, such as Karabayeva, Barshev, Chetverikov, Tveriak, Karpov, and Kazakov.

Many poets are attracted by the new life in the making. The young poet Alexander Zharov and his older colleague, A. Bezymensky, are completely absorbed by the new social life.

Next to topics based on the new aspects of every-day life, Soviet literature touches upon the wider subjects of social psychology, endeavoring to strengthen the recollections of the epoch not on a small, local, but on a large scale. Individual, talented writers are being drawn more and more, into realistic channels. Thus Leonid Leonov from a follower of Dostoyevsky became the author of "Barsuki" (The Badgers) an epic of the civil war in Siberia. The new readers of the Revolution—the students of the Workers' Faculties and universities, the members of the Young Communist League, and of the trade unions, the peasants and intellectuals, are essentially interested in the social aspects of literature.



Smolny Institute, Seat of Petrograd Soviet in 1917  
Cradle of November Revolution

## Scientific Progress in U. S. S. R.

THE upbuilding of a highly socialized society in Russia, replacing the former feudal conditions, has resulted in a notable change in the position of science and scientific workers. The change has freed science from the position of a dependent on the casual alms-giving of an ignorant and corrupt court. It has raised it to a position of high dignity as a pioneer in the service of social progress.

During the period of civil war, invasions and blockade, when the entire country was absorbed in a day-to-day struggle to keep alive, there was little surplus for scientific work and science was kept on short rations. With the rehabilitation of the country's economic life came a swift scientific renaissance. Increasing provision was made for research and study and exploration. There is still some shortage of equipment according to American standards, but more ample provision is being made than ever before in Russian history, and scientific achievement has registered many triumphs in the past four years. During 1926 laboratory effort yielded notable results in many fields, particularly in electricity, automotive improvements, chemistry, metallurgy and the utilization of wind power.

"Nothing is more amazing about Moscow than its social and scientific spirit and institutions," wrote Dr. Frederick L. Hoffman, consulting statistician of the Prudential Insurance Company, after his visit to the Soviet capital last summer. "I could not begin to enumerate and describe even the more important of these institutions." Foreign scientists who attended the two hundredth anniversary of the Academy of Sciences in Leningrad in 1926 were similarly impressed.

It is natural that the scientists of the Soviet Union should be engaged in an increasing amount of work in the interest of improving production and opening new natural resources for development. The scientific institutions are now closely linked with economic development. They have played a large role in the marked advances in factory and agricultural efficiency. Their explorers have revealed new sources of natural wealth, such as the vast potash fields discovered during the past year in the Province of Perm.

The increased attention to scientific work may be noted by taking the Geological Committee as an example. This Committee—it was founded in 1882—is engaged in making an inventory of the available mineral resources of the entire country, in addition to making new explorations and organizing a vast collection of specimens from every part of the country. In 1913 its appropriation was \$480,000 and it maintained 153 permanent employees. In 1926 its appropriation was

\$3,200,000 and it had 964 permanent employees.

As a result of the work of the research men and inventors in the scientific laboratories Soviet factories are now turning out such complicated machines as tractors, airplanes, turbines and electrical apparatus, never before produced in Russia.

## Physical Culture in the U. S. S. R.

**A**CTIVITIES towards the development of physical culture in the Soviet Union were undertaken under very unfavorable conditions. After the downfall of the old system there remained physically weakened human material and about one hundred nearly dissolved amateur sporting circles, a few thousand sportsmen and amateur gymnasts, and between one hundred and two hundred professional teachers of gymnastics. The economic disorganization and the famine presented practically insuperable obstacles. But the organization of the Red Army gave a powerful stimulus to the development of physical culture. In May, 1918, the Department of Universal Pre-Consript Military Training was founded. Its aim was the physical education of the young people who had not been called to the colors as yet. It was quite a difficult task to direct this education into the right channels. Neither a program that had stood the test of experience, nor a suitable body of instructors was available. Nevertheless, the organization accomplished very much. All experts in this field were attracted to this work, and a whole network of schools and circles for the training of instructors was founded. In 1920 the construction of stadiums, the laying out of athletic grounds, and the equipment of gymnasiums was inaugurated. By the end of 1920 military-sport clubs of the Department of Universal Pre-Consript Military Training were operating not only in all provincial capitals, but also in many district towns, industrial centers and large villages. They became not only the centers of military and physical training of youth, but of cultural activities as well.

In 1921 the "Chief Military School for Physical Education of the Working People" was founded, with a scientific department including four laboratories—anthropometrical, physiological, psychological and biotechnical—attached to it. The physical culture activities of the Red Army were thus placed upon a scientific basis.

The Department of Universal Pre-Consript Training did not restrict itself to the military field alone. From the very beginning it has been conducting propaganda on a large scale. It had been organizing sporting festivals, trips of sporting groups all over the territory of the Soviet Union, and has been giving assistance to societies pursuing similar aims. As a result hundreds of thou-

sands of youths from the working class and peasantry became interested in sports, and in 1922 about 2,000 physical culture groups were organized under the auspices of the Department of Universal Pre-Consript Training.

A conspicuous part in the development of physical culture among the workers was played by the State Institute of Physical Culture, organized in 1918 by the People's Commissariat for Agriculture. The preparation of special instructors, the organization of courses for training physicians and educators, the elaboration of programs based on scientific principles—all these tasks were undertaken by the State Institute for Physical Culture. Beginning with the fall of 1921 the Institute, jointly with the Moscow Committee of the Communist Youth Society, started the organization of the proletarian physical culture society "Muravey" ("Ant").

Every group of the "Ant" has athletic grounds, halls and equipment at its disposal. The students of the State Institute for Physical Culture act as instructors of these groups. All "Ant" members are subject to periodical medical examination. The ideology of these societies is not directed towards the establishment of records, but towards the preparation of the working people for the task of labor and defense. The State Institute for Physical Culture maintains physiological and anthropometrical laboratories, and the programs of the "Ant" are elaborated on a strictly scientific basis in accordance with the psychological, anatomical and physiological peculiarities of the various age groups.

According to the data available for 1924, the physical culture groups had 2,750,000 members in the entire territory of the U. S. S. R. This membership is distributed as follows: 42 per cent are workers, 21 per cent peasants, and 37 per cent other social groups. Since that time the membership has shown continuous growth.

All physical culture activities are coordinated and directed by the Supreme Council of Physical Culture attached to the All-Russian Central Executive Committee in Soviet Russia proper. The highest provincial authorities are the Physical Culture Councils attached to the Provincial Executive Committees. The Supreme Council of Physical Culture includes representatives of the Communist Party, of the Communist Youth Society, of the People's Commissariat for Agriculture, of the People's Commissariat for Education, of the Department of Universal Pre-Consript Military Training, of the State Institute of Physical Culture, of the Trade Unions, etc. The very composition of that Council is an indication of the great importance which the Soviet Government attaches to physical culture.

## Sanitation Work in the Soviet Union

THE Soviet administration received a considerable inheritance from the old regime in the field of medicine and sanitation. However, this legacy consisted mainly of a number of city hospital institutions, sometimes very well organized and developed. On the other hand, in the village districts, in the so-called "Zemstvo" Provinces, which included 34 of the 71 Provinces constituting the old Russian Empire, there was a peculiar system of public medical service—rural dispensary sections, disproportionately scattered throughout the various Provinces. Not until 1913 was a very restricted social insurance law introduced for workers in a few lines of production. In general, Russia had a disparate, extremely inadequate system of hospital institutions and was almost totally lacking in measures for the prevention of illness and disease.

The Soviet medical service has reorganized its work on a different basis. "Prophylaxis above all" is its slogan in this regard. Illnesses must be prevented and conditions tending to diminish disease must be created—such are the practical requirements which the People's Commissariat for Health inserted in its program of activity. Therefore, along with its medical service, the Soviet administration has directed its principal efforts to the introduction of prophylactic measures, the results of which are already making themselves felt.

The first step was the establishment of protective measures for mothers and children, something which did not exist in pre-war times. At the end of 1925 the Soviet Union already possessed 5,125 institutions for combating infant mortality, health stations for nursing babies, for pregnant women, factory and town creches, children's homes, etc. Hand in hand with this went the laws for the protection of working women, in particular a leave of absence of from two to four months for the period of childbirth, etc. An outstanding feature is the law legalizing abortions performed in hospital institutions, which has sharply reduced the number of women's deaths resulting from surreptitious methods.

During the years of Soviet administration infant mortality has declined to a marked extent, the present death rate for infants (up to the age of one year) being 168 per 1,000, as against 260 per 1,000, before the Revolution. This is still a very high mortality figure, but it is gradually being reduced.

Measures are being put into effect to combat venereal diseases and tuberculosis. At the end of 1925 there were in the Soviet Union 382 venereologic and 363 tuberculosis dispensaries, principally in the cities. At present the public

itself is taking an active part in the fight against these diseases, as is also true of the struggle to reduce infant mortality. The hospital institutions have organized so-called "Social Aid Councils," to which delegates are invited from workers, peasants and women's organizations.

A struggle is being waged against occupational diseases. The Soviet labor code assured the workers not only of the eight-hour day and a two-weeks vacation each year, but also gave them all forms of social insurance, including free medical assistance. Here the chief task is the struggle against occupational diseases by means of their mass investigation and through periodical medical examinations for workers in harmful industries and trades. In particular, all minors employed in factories are subject to an annual medical examination in pursuance of a special decree passed by the Council of People's Commissars. Medical treatment is allotted in accordance with these examinations and their results. Thus, in 1926 about 200,000 workers and clerks received the benefit of treatment at the various health resorts in the Soviet Union.

Then there are general sanitation measures for the protection of living quarters, water, and food. In this regard the means adopted by the Soviet administration depend upon available resources. One of the problems in this field is the establishment of public feeding through a widespread system of public dining rooms conducted by a special organization ("Narpit"). The inauguration of public feeding possesses immense social importance for health improvement and for the liberation of women from kitchen drudgery. During the year 1926 hundreds of thousands of workers were already taking advantage of such public dining places.

The participation of the public in the organization of the nation's medical service is by no means an empty phrase. This is especially clear with reference to the national minorities in the Union. For the first time they are receiving efficient medical service and are beginning to organize such work with their own resources. Hundreds of students from these nationalities are going to the higher institutions of medical instruction with the aim of returning to serve their own people in their own native tongue. New universities in the outlying regions of the Soviet Union are ministering to the same need. There are such universities in Tashkent, Baku, Irkutsk, and Tiflis.

Last year over 405,700,000 gold rubles were expended by the Soviet administration to safeguard the health of the people. A great many obstacles are still to be surmounted, but the path has been blazed, principles have been established, and the forms of procedure have been found.

The Government is engaged in a persistent



N. A. SEMASHKO  
People's Commissar for Health

struggle against epidemics, a sombre inheritance of the past. The laws of 1919 concerning compulsory smallpox vaccination have greatly reduced the frequency of this disease. The number of typhoid cases has also decreased; cholera has disappeared. But much still remains to be done in this respect, particularly in the vast, outlying sections of the Soviet Union.

#### Health Resorts in the Soviet Union

A Health Resort Conference called by the People's Commissariat for Health has officially noted a considerable extension of health resort activity in the Soviet Union. The attendance and capacity of the health resorts is increasing every year. During the course of the past year 114,000 persons received treatment at the health resorts. During the coming season it is planned to augment the number of individual accommodations in the sanitariums and the number of community boarding houses and hotels.

Two and a half million gold rubles have been appropriated for the construction of new health resorts this year. The principal center of the new establishments will be Matsesta, near Sochi, on the Black Sea, where a sanitarium with 100 beds will be built, together with a 150-room boarding house and hotel. Matsesta has long been famous for the medicinal value of its sulphur

springs. The health resorts and sanitariums in the Caucasus and the Crimea will also be enlarged and improved.

#### Commercial Aviation in the Soviet Union

OWING to the fact that the country went through a three year period of intervention after four years of the World War, civil aviation in the Soviet Union naturally developed much later than in Western Europe and America. Whereas the first airplane line in the West, between London and Paris (across the Channel), was inaugurated in 1919, the initial line in the Soviet Union was not established until 1922. This line linked Moscow with Koenigsberg, connecting further with Berlin and the other principal European capitals.

The first aerial transportation company in the Soviet Union was the Mixed Russo-German Aerial Communication Joint-Stock Company, known as the "Deruluft." This was followed, during the fiscal year 1923-24, by the organization of the joint-stock companies "Dobrolot," "Ukrvozdukhput," and "Zakavia," the last-mentioned having gone out of existence in 1925. "Dobrolot" and "Ukrvozdukhput," however, have gradually grown from organizations of local scope with service limited to a single Republic into companies maintaining aerial lines that traverse a number of Soviet Republics.

After a short period of purely experimental operation over Moscow-Nizhni-Novgorod-Kazan routes, "Dobrolot" directed its entire activity to serving those outlying regions of the Soviet Union which lacked modern communication facilities. The "Ukrvozdukhput" organization, on the other hand, having likewise gone through its experimental stage with the operation of Kharkov-Ekaterinoslav-Odessa and Kharkov-Kiev lines, retained its Kharkov-Rostov line (connecting with points in Transcaucasia) in competition with the railroads.

Nevertheless, both groups of lines, those of the "Ukrvozdukhput," as well as those of the "Dobrolot," must be regarded as completely fulfilling their primary purpose, inasmuch as they bring nearer by a considerable time many inhabited points in distant territories that possess no adequate connections, and, even when they parallel the railroads, they reduce mail and passenger time approximately by two-thirds. At the present time these two companies are maintaining service over the following air lines: Kagan-Khiva-Tashauz (534 kilometers), Kagan-Dushambe (730 kilometers), Verkhneudinsk-Ulan Bator (600 kilometers), Moscow-Mineralnye Vody (1,550 kilometers), Mineralnye Vody-Baku

(815 kilometers), and Baku-Tiflis (535 kilometers). The Moscow-Koenigsberg line covers a distance of 1,200 kilometers. The total length of the whole system of air lines in the Soviet Union thus amounts at present to 5,964 kilometers (3,700 miles).

In comparison with the year 1925 the number of regularly operating lines has increased from six to seven, while their aggregate length is 1,410 kilometers greater.

The operating efficiency of traffic handled by the Soviet airplane lines has also increased to a considerable degree. While civil aviators performed flights totaling 1,140,000 kilometers (73 per cent over regular service routes) during 1925 and carried 7,800 passengers (3,600 on regular lines) and 83 tons of mail and freight, during 1926 the flights aggregated 1,500,000 kilometers (1,300,000 kilometers on regular lines) and 12,400 passengers (4,000 on regular lines), as well as 141 tons (84.5 tons on regular service), were transported.

In addition to regular flying over their established routes "Dobrolot" and "Ukrvozdukhput" have done extensive aerial photographic work, having taken airplane views of 710,000 hectares (about 1,775,000 acres) of forest lands during 1926. "Dobrolot" participated in expeditions organized by the Society of the Friends of Aviation and Chemical Defense ("Aviakhim") and by the People's Commissariat for Agriculture of the Russian Socialist Federated Soviet Republic to combat the locusts in Northern Caucasus and timber pests in Nizhni-Novgorod Province. These measures constitute an important step in the practical application of civilian flying to national economy.

While 1923 and 1924 may be regarded as years of trial and experiment, 1925 and 1926 have been marked by the considerable systematization and stabilization of the Soviet airplane lines. This is particularly evidenced by the fact that during the fiscal year 1925-26 Soviet civil aviation as a whole suffered only one fatal accident, two persons dying as the result of an unsuccessful manoeuvre by the pilot. This safety record is not only as good as that of civilian flying in other countries, but in many instances it is even better. The frequent testimonials given to the Soviet air lines by foreign passengers represent the highest compliment with regard to the regularity and punctuality of service.

This year "Deruluft" is replacing its four-passenger Fokker machines with all-metal eight-passenger planes of the Dornier-Mercure type. The "Ukrvozdukhput" organization has also begun the gradual replacement of its Dornier-Comotte III airplanes with the above-mentioned type, which, being equipped with a turbo-compressor for high elevation flying, makes it possible to follow a

straight course from Mineralnye Vody to Tiflis over the Caucasus Mountains, thus avoiding the detour via Baku. "Dobrolot" is working on a four-passenger Junker plane, which is soon expected to be replaced by heavier machines.

The fundamental problem of civil aviation in the Soviet Union is the transition to airplanes of domestic manufacture. Recent years have been signalized by a number of substantial achievements along this line. The appearance of such Soviet-made planes as the ANT-3 "Proletarian" metal plane designed by Tupolev for postal service, the four-passenger "K-1" machines, designed by Kalinin, the "PL-1" airplane, designed by Grigorovich, the eight-passenger "PM-1" plane, designed by Semenov and Polikarpov, and, finally, the giant two-motor "ANT-4" type (Tupolev) indicate that the time is near when Soviet air lines will use Soviet-made machines exclusively.

During the current year the Moscow-Koenigsberg route passes through Velikie Luki, thus rendering possible the establishment of a new branch to Leningrad (430 kilometers). This gives the important single Soviet port on the Baltic a direct connection with Western Europe, a development of considerable economic significance. The Kagan-Dushambe line is being changed into the Tashkent-Samarkand-Dushambe route—an increase of 220 kilometers.

Within the next two or three years it is planned to organize airplane lines connecting the Soviet Far East, Central Asia and a number of other outlying points in the Soviet Union with Western Europe. The prospects for Soviet aerial transportation are truly unlimited. The Verkhneudinsk-Ulan Bator line, which will develop into a great Trans-European-Asiatic trunk line, is the beginning of one such route. This trunk line is the shortest of all the possible air routes between Europe and Asia and is so regarded not only by Soviet authorities, but also by those of Germany and France.



Building of Moscow Soviet

## American-Soviet Trade

THE revival of trade between the United States and the Soviet Union began in 1923. Despite handicaps inherent in the lack of a formal trade agreement between the two countries, the annual turnover, beginning with the Soviet fiscal year 1924-25, has been about double the pre-war figure. In 1924-25 the turnover reached a high point of \$118,000,000, of which American exports to the Soviet Union were \$103,618,000. Thereafter, by establishing large trade credits under Government auspices, Germany has succeeded in diverting a considerable amount of the Soviet purchases. The United States held second place on the Soviet trading list in 1924-25, but has since slipped to third position.

The figures of annual exports and imports, according to Soviet customs statistics, follows:

	Exports to U. S.	Imports from U. S.
1913	\$7,290,000	\$40,730,000
1923-24	4,377,500	49,955,000
1924-25	14,471,500	103,618,000
1925-26	15,759,000	62,881,500
1926-27 (10 months)	8,652,000	55,568,500

(The Soviet fiscal year runs from Oct. 1 to Sept. 30.)

American-Soviet trade is carried on mainly by four organizations with offices in New York. These are: The Amtorg Trading Corporation, which represents most of the large Soviet syndicates; the All-Russian Textile Syndicate; Centrosoyus, trading agency for the Soviet consumers cooperatives, and Selskosojus, trading agency for the agricultural cooperatives.

Reports of these four organizations for the full fiscal year 1926-27 show shipments from the United States of \$63,524,037, as compared with \$52,263,021 in 1925-26, and imports to the United States of \$14,856,555, as compared with \$13,065,154 for 1925-26. The figures do not include imports to the United States of manganese ore, valued at about \$3,000,000 for the period, and several million dollars in furs imported under concession by an American firm. These two items would bring the total trade turnover for the year up to approximately \$90,000,000.

Of the American exports reported by the trading organizations, cotton was the largest item. Shipments for the fiscal year aggregated \$42,372,666, about \$11,000,000 greater than the previous year, and established a post-war record. Other exports included industrial equipment \$6,932,536, including oil machinery worth \$2,069,465 and electrical equipment worth \$927,162; agricultural machinery \$5,451,338, including tractors worth \$3,916,134; metals \$5,211,287, chemical products \$835,017, binder twine \$757,920, automotive equipment \$734,047, typewriters and adding ma-



I. J. HOORGIN

Organizer of Amtorg Trading Corporation  
Pioneer of Soviet-American Trade  
Died in 1925

chines \$443,659, livestock \$168,515, rubber \$200,220. Exports of industrial equipment increased over \$500,000 as compared with the previous fiscal year, and those of agricultural machinery fell off by about \$3,000,000, reflecting the increased output in the Soviet Union. Metals and chemical products showed a substantial gain.

Imports showed a falling off in furs and flax and substantial gains in casings, precious metals, hides, caviar and fish. The principal imports were: Furs \$5,665,605, precious metals \$2,607,281, casings \$2,377,688, flax and tow \$807,879, hides and skins \$814,896, bristles \$702,288, licorice root \$589,710, fish \$385,575, caviar \$333,608.

The steady progress of mechanization and the development of the country's immense natural resources offer a promising market for American machinery and technical equipment. This market is still in its initial stages, but at present the revival of trade between the two countries is only entering its fifth year. There is every reason to expect that during the next decade the Soviet Union will become a factor of increasing importance in the export trade of the United States. The trade has already established itself, despite abnormal and difficult conditions, on a firm basis.

## Occupations of the Population of the U. S. S. R.

THE statistical data for 1913 indicate that the population of the present territory of the U. S. S. R. was distributed as follows: in the cities—25,800,000, and in the rural communities—113,900,000, making a total of 139,700,000. The War and the Revolution affected the urban population very considerably. However, it is gradually increasing. In 1923-24 it amounted to only 22,500,000, and in 1926-27 it rose to 26,000,000, while the rural population reached 120,400,000, marking a total increase of 6,700,000 for the entire population as compared with 1913.

By occupations the population was distributed as follows:

Occupation	Number of Persons	
	1913	1926-27
1. Agriculture .....	55,500,000	61,201,000
2. Industry .....	6,407,000	5,350,000
3. Building .....	965,000	727,000
4. Transportation .....	1,155,000	1,386,000
5. Post and Telegraph .....	72,000	103,000
6. Commerce .....	1,700,000	1,100,000
7. Public Education .....		701,000
8. Public Health .....		399,000
9. All other government institutions .....	6,681,000	786,000
10. Persons having independent income .....		50,000
11. Unemployed .....		1,200,000
12. All others .....		1,427,000
	72,480,000	74,430,000

It is to be regretted that the data for 1913 do not give separate figures for each one of the subdivisions marked 7-12 in the above table. With the exception of the number of people living on interest, there is one general total given for all of these subdivisions. The number of persons living on their interest amounted to 820,000 in 1913, whereas now they number only 50,000, which shows the extent to which the character of the country has changed. The number of persons engaged in agriculture has increased most. As regards industry, while the total number of persons engaged shows a decrease of over a million, the pace of the constant increase which has been going on after the period of disorganization, is very rapid. In 1923-24 the total number engaged in industrial pursuits amounted to only 3,947,000, while the year 1926-27 marked an increase of 1,403,000.

A considerable increase is shown in transportation. At the same time the number of persons engaged in commerce decreased considerably, which is an indication of the fact that a part of the population went over to other occupations.

The number of unemployed stated above is due not to the closing of enterprises, as usually happens in other countries, but to the influx of the

excess peasant population into the cities, for temporary work. The absolute number of gainfully employed workers grows from year to year simultaneously with the development of the industries, but the rural districts produce a large excess. This is a specifically Russian problem pointing to the necessity of a further extension of industries which may be able to absorb this rural surplus.

## Soviet Elections

OUT OF a number of 39,504,803 persons entitled to vote for the rural Soviets of the R. S. F. S. R. (Soviet Russia proper which includes about 70 per cent of the population of the Soviet Union), 47.4 per cent availed themselves of their right early in 1927. These elections marked a participation of 66.7 per cent of all men, and of 29.9 per cent of all women entitled to vote. These figures are for the R. S. F. S. R. only, as complete figures for the other republics are not available as yet. In the rural elections of 1924-25 41 per cent of all voters took part, with 63 per cent of all men and 19 per cent of all women voting. The total participation of voters rose to 47 per cent in 1925-26, with 67 per cent of all men and 28 per cent of all women voting. The elections of 1927 show practically the same figures.

The number of rural Soviets elected in 1927 was 54,971, as against 51,914 last year. They embrace 327,001 rural settlements. The total number of delegates elected to these rural Soviets is 921,673.

According to data available for 591 of the most important cities and urban settlements in Soviet Russia proper, 4,559,937 out of a number of 7,696,209 voters took part in the 1927 elections to the urban Soviets, showing a total participation of 59.3 per cent of all urban voters. The number of delegates elected to these Soviets was 72,523 of whom 66.1 per cent were members of trades unions, 29.3 per cent unorganized voters and 4.6 per cent Red Army soldiers.

The All-Union Soviet Congress, the parliament of the Soviet Union, is being convoked annually with a usual attendance of about 1,500 delegates. The composition of the Soviet Congresses according to nationalities is shown in the following table—(in percentages):

	1923	1924	1925	1926
Great-Russians (Russians proper) .....	62.5	59.5	58.8	56.6
Ukrainians .....	8.0	11.8	10.6	13.6
White Russians .....	1.1	2.0	2.7	3.4
Armenians, Georgians and Turko-Tatars .....	3.1	3.6	4.2	4.3
Uzbeks, Turkomans, and Tadjiks .....	1.1	1.2	2.2	2.6
All other nationalities .....	24.2	23.6	21.5	19.5