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Rykov on Economic Situation of U. S. S. R.

Third Anniversary of State Bank

Soviet Oil Exports During 1923-1924

The Northern Sea Route

Krassin on Soviet Foreign Trade

Foreign Relations of the U. S. S. R.

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Economic Situation of the Soviet Union

AT THE sixth congress of the trade unions of the U. S. S. R., held in Moscow in the second part of November, 1924, Mr. A. I. Rykov, Chairman of the Council of Peoples' Commissars delivered a speech on the economic situation of the Soviet Union. The following are the most substantial passages of the speech:

The area sown in the last two years—its size still continues to be one of the most important indications in judging the condition of Russian agriculture—has increased almost 30 per cent as compared with that in 1922, attaining 88 per cent of the pre-war area.

It is important to point out that the increase in the sown area is proceeding unequally in the various parts of the territory of the U. S. S. R. The country now already has districts in which the sown area is greater than before the war. Such are the regions belonging to the consuming* area. Here the sown area has already exceeded the area in 1916 (and the 1916 area was approximately equal to that before the war). The sown area in the consuming region has increased as follows as compared with 1920: in 1921 the increase amounted to 13 per cent; in 1922, to 28 per cent; in 1923, to 35 per cent; and in 1924, to 47 per cent. A similar increase in the sown area, or one somewhat less, is observed also in those portions of the producing region which were not touched by the famine of 1921.

This shows that if it had not been for the elemental calamity resulting from the famine of 1921, Russian agriculture would now, at the beginning of the economic year 1924-25, be almost up to the pre-war level. The rehabilitation of the enormous producing area in the regions of the South-East and the Volga District which were stricken by the famine of 1921, has remained behind all the other regions. The present year is a low crop year. The peasantry this year gathered about nine or ten per cent less than they harvested in the last year. But we may now already estimate the results of the work on winter sowings for the year 1925. These estimates show an increase in the area under winter crops amounting on the average to five per cent, and in regions that have no crops, regions, in other words, which suffered from crop failure this year, the increase in the winter crop area is even as high as 10 per

*The name of "consuming region" is applied to those parts of the Soviet Union which—like the provinces of Northern Russia—do not produce enough grain for the satisfaction of their needs, while the rich black earth belt of Central Russia producing a surplus is referred to as "producing region."

cent. This is a result of the policy of the Government of the U. S. S. R. in its struggle against the consequences of the crop failure—the Government having made it one of its principal tasks to protect the economic significance of this region by giving it succor in the form of seed-grain, public works, etc. Due to these measures the area under winter crops in these regions not only was not reduced as compared with the past year but even increased by 10 per cent.

The Increase in Sowings of Industrial Crops

Side by side with the increase in the sown area important changes are also taking place as regards the character of the crops. The cheaper crops grown by the peasants for their own consumption such as rye, millet, etc., are beginning to play a less and less important part while simultaneously the part played by the more valuable grains raised for the market is increasing: Thus the sowing of wheat as compared with rye rose from 15 per cent in 1922 to 20 per cent in 1924.

More and more importance is being gained by sowings in special crops, consumed chiefly or entirely by industry. Here are the figures showing the extent of the sown area in dessyatins:

	<i>Cotton</i>	<i>Flax</i>	<i>Sugar Beets</i>
1922.....	52,000	818,000	169,000
1923.....	165,000	844,000	226,000
1924.....	419,000	1,056,000	320,000
Percentage relation of 1924 as compared with 1922..	840	130	189

Thus, the increase in the area sown with special crops, like cotton, flax, beets, which are so important for industry is far greater than the increase in the area sown with cereals.

Draft Animals and Cattle Breeding

In the domain of cattle breeding, the chief difficulty consists in the insufficient number of horses, the principal draft animals in the service of the peasant farm. The total number of horses is not more than half the pre-war figure. The number of horseless farms in the country districts, particularly in the regions that suffered from crop failure, amounts to 40 per cent. To increase the number of horses and decrease the number of horseless farms is the principal task in the domain of agriculture. For the past two years the number of horses has increased 10 per cent only. But on the other hand there has been an increase in large horned cattle of 32 per cent from 1922 to 1924, in other words, an increase of a full third. The number of sheep has increased to the pre-

war figure; other domestic animals, such as hogs, etc., have increased 200 per cent as compared with 1922. The breeding of cattle is beginning to play an increasingly important rôle in the budget of the peasant farm, and an important part of the single agricultural tax is now being paid not out of the returns of grain cultivation (wheat and rye), but out of the products of cattle breeding, or the sale of the cattle itself (small animals).

Such is the condition in the field of agriculture, with regard to which it can be said that, in spite of the famine of the year 1921, it has advanced far in the last few years in its development, and the upward tendency is continuing to be effective, in spite of the crop failure of this year, which weakens but does not halt it. The significance of this rise of agriculture may be seen if only from the fact that last year we were still passing through a sales crisis, when industry was in a position where it could not find purchasers. The advance of agriculture during the course of this year, in spite of the crop failure, has altered this situation to such an extent that at present there is to be noticed a scarcity of goods. Industry cannot find goods in order to furnish them in sufficient quantities to the villages and to the farms. The increase in the productivity of agriculture has served as a basis for the rehabilitation of industry, it has helped to put the budget on a sound basis and has contributed to the advancement of the entire economic life as a whole. It was the necessary condition for the development of the cities and the development of industry.

Progress of Industry

The increase in the prosperity of the villages made possible the development of our industry and in the first place that industry which serves the peasantry and the peasant market, namely, the light* industry.

After the light industry, the rehabilitation of heavy* industry also began. When we passed out of the period of military communism into the new economic policy, the production of our industry was about 18 or 20 per cent of that before the war. During the course of the last few years the output of industry has been increasing about 30 or 40 per cent each year, and at the beginning of the current year amounted to 50 per cent of the pre-war output. If we consider that when passing out of military communism we had 20 per cent, and now 50 per cent of the pre-war production, the progress made seems very large, yet, in spite of this rapid growth, we still have only one-half of what we had before the war.

Up to very recent months, remarks concerning progress in the domain of industry referred chiefly to light industry.

*As "heavy" industries are to be considered coal mining, ore mining, the metal and electrical industry, while all the other industries are considered as "light" industry, with the exception of the building branches (cement and wood working) which are listed separately.

Now we may also point out a few advances, though they may be small, that have been made in the domain of heavy industry. The achievements are particularly remarkable in the field of the winning of mineral fuel. Thus, the production of petroleum rose from 233,000,000 poods in 1920-21 to 360,000,000 poods in 1923-24, which amounted to 65 per cent of the pre-war production.

Coal production in 1921 amounted in all to 27 per cent of the pre-war output, and we passed through one fuel crisis after the other. During the past year the coal industry yielded 53 per cent of the pre-war yield. But the coal industry this year progressed too fast; it is practically the only branch of Russian industry which increased its production to such an extent that at present it is impossible to find a market for the entire output. This production will therefore have to be somewhat curtailed, since it has shot ahead too fast as compared with the other branches of industry, with the result that the Donetz Basin now holds several tens of millions of poods of coal which cannot find any sale.

We may judge from the increase in the metal industry how the production backbone of our whole economic life, both in industry and agriculture, is being rehabilitated. At the present time the development of the metal industry has remained behind all the other industries, except as regards the ore industry, which is closely connected with the metal industry and whose development is dependent upon the development of the latter. In 1921-23, about 10,000,000 poods of cast iron were smelted, amounting to not more than 3 per cent of the pre-war output. In 1923-24, already 40,000,000 poods were smelted, in other words, four times as much as was smelted two years before. In Martin steel Russian industry increased its production from 27,000,000-36,000,000 poods in 1922-23 to 60,000,000 poods in 1923-24, in other words, an increase of 66 per cent for the year. Rolled iron shows about the same condition of growth. As for prospects for 1924-25, it is proposed to smelt 60,000,000 poods of cast iron as compared with the 40,000,000 poods of the past year. However, this will still amount to but little more than 20 per cent of the pre-war figure, at a moment when all other branches of industry (except the ore industry) fluctuate on the average between 50 and 60 per cent of their pre-war activity. In Martin steel a production of 31,000,000 poods is planned, in other words, an increase of 38 per cent in the course of one year. This will be about 30 to 33 per cent of the pre-war production. The output of rolled iron will be 35 per cent of the pre-war figure. Such is the situation in the field of heavy industry.

Light industry, which works for the great consuming market is recovering quicker than the heavy industry. I shall not outline all the branches of light industry. I shall take only the cotton goods industry, which is the most important of the light

industries. In 1923-24, as compared with 1920, it increased its production six times. In 1924-25, a further expansion of approximately 60 per cent in the cotton industry is planned. As compared with the pre-war level, it has already surpassed 60 per cent of the pre-war figure. If we can get sufficient raw material, we shall within the course of the next two or three years be able to count on fully attaining the pre-war level in this branch of industry.

The Increase of the Trade Turnover

The advance in industry and agriculture affected favorably all the other factors of the Soviet Union's economic life by bringing about an increase in the turnover of goods, as well as an increase in the railroad freight traffic; while the development of the trading system entailed also the development of private trade.

On the basis of the increase in agriculture and industry, the Soviet Union's foreign trade has also increased. If we take the turnover of foreign trade in 1922-23 as 100, this turnover in 1923-24 amounts already to 214, or an increase of more than 100 per cent in one year. An important part in the increase in exports was played by grain which we exported last year to the extent of 200,000,000 poods. The foreign trade program for the fiscal year 1924-25 provides for an export about as large as that of the past year, or somewhat larger, completely excluding the export of grain, which under the present circumstances we cannot and will not export.

Prices for Industrial and Agricultural Products

The most important questions to be decided in the course of the past year, for the purpose of securing an uninterrupted development of our economic life, were in my opinion principally two: in the first place, the policy of prices; in the second place, the question of a firm currency. Without the solution of these two questions, a normal development of our industry and our agriculture was out of the question. Both these questions came up with peculiar sharpness in the autumn of last year, in connection with the sales crisis. You know that we responded to the sales crisis by the policy of lowering prices—a policy which could afford industry an opportunity to utilize the peasant market, as it was clear that without such a lowering of prices, the products of industry could not reach the peasantry. Thanks to this price policy, the following results were attained: In the autumn of 1923, when the sales crisis broke out, when there were oversupplies of commodities, and no purchasers, the industrial products were more than three times as dear as the products of agriculture.* From this condition, in which the products of industry were three times as dear as the products of agriculture, there re-

sulted a situation that may be described as a boycott of industry by the peasants. The policy of lowering prices resulted in a more reasonable relation of prices for agricultural and industrial products, with the effect that in October, 1924, the products of industry were no longer more than three times as dear as the products of agriculture, but only one and one-half times as dear. This is an enormous success. This policy of struggling with high industrial prices and low grain prices has conquered the immense peasant market for the industry and for the working class; demand increased greatly, and the sales crisis was changed into its precise opposite, namely, a scarcity of goods. Now industry cannot supply the peasant market with its needs. This means that the prospects for sales of industrial products have now become boundless since our price policy will bring about an inevitable extension of the market during the next few years.

But this success would not be a durable one, if it were not connected with another gigantic achievement made by us during the period just expired, namely, the introduction of a firm currency.

Taxes

The tax-burden is at present not heavier but rather lighter than in the past. The calculations of the Peoples' Commissariat for Finances show that if all the direct and indirect taxes which the government expects to collect in the course of the present fiscal year, are added together and divided by the number of inhabitants of the Soviet Union, the average sum per person would amount to seven gold rubles. Before the war this sum amounted to eleven gold rubles—and it must be borne in mind that the purchasing capacity of the gold ruble is at present smaller than before the war.

As for the agricultural tax, approximate calculations show that it amounts for the current year to about 4 per cent of the income of agriculture.

High Grain Prices

During the past year the principal factors in the economic situation were the discrepancy of prices for industrial and agricultural products, the struggle against this phenomenon, the firm currency, and various budget problems. In spite of certain partial failures, these questions were either solved or at any rate a great advance was made toward their solution. The difficulty of the present moment is in the high grain prices, in the insufficiency of working capital and in the scarcity of goods. In September of last year (1923), rye in the provinces, in the peasants' hands cost 27 kopeks per pood, in September of 1924, it costs 62 kopeks. Wheat in September of 1923, cost 53 kopeks, this year (1924), it costs 95 kopeks. That is the basic economic fact of the present moment. There is 9 or 10 per cent less grain this year than last year. All statistical data speak in favor of the fact that there is grain sufficient for the use

*As compared with their interrelation before the war.

of the entire population of the U. S. S. R. without the slightest deprivation. We have prepared a plan for providing grain, according to which, to guarantee the needs of the cities, the workers, the army, etc., 170,000,000 poods of grain must be purchased before November 1, by our various organizations. We have thus far reached only 117,000,000, in other words, 53,000,000 less than we want. First our program included the export of grain; now there will be no such exports. The prices for grain supplies at times rose higher than one gold ruble and 1 gold ruble 20 kopeks per pood. To this we replied by establishing maximum prices for State grain purchases—fixing the rye prices at 57 kopeks and the wheat prices at 84.4 kopeks (averages for the U. S. S. R.).

The price of 27 kopeks in September, 1923, per pood of rye was a price that was an insult to the peasantry, a price that could not in any way interest the peasantry in enhancing their agricultural production. It was necessary to find a price that would satisfy the peasantry, make agriculture profitable for them, and also would not burst asunder our currency system and our budget policy, and would not involve a general increase in prices for all industrial products. Therefore we established limit prices, prices varying within 75 kopeks on the average for all grain crops—that is, wheat somewhat above that price, rye somewhat less, oats still less, etc.

The chief method of combating the excessively high prices of grain is an increase in the area sown, an increase in the quantity of grain, an intensification and a progress in agriculture, and the method resorted to this year, namely, that of price limits, can only be a temporary means. The increase in the quantity of grain is a fundamental measure for preventing the recurrence in the future of such a phenomenon as was presented by grain prices this year. In spite of the grain scarcity, we did not hesitate this year to give aid to the peasants by supplying them with seeds, because this grant of seeds brings with it an increase in the area sown, as well as an increase in the quantity of grain next year.

Domestic Trade

In the field of domestic trade a great number of trusts and factories have refused to deal with private traders, even if they offered to buy for cash. In the struggle with the private trader, methods of administrative pressure were sometimes applied, with the remark: "We defeated the private trader on the economic front." But those who spoke thus sometimes forgot that they must not confound economic competition with administrative pressure. We have long known that the political power and the administrative apparatus are in our hands. But to attempt to defeat the private trader by economic means—this is more difficult. It is necessary to make up for these mistakes which consisted in the employment of administrative pressure on the private trader; the

policy of granting unlimited credits to co-operative organizations at the expense of industry should be discontinued and it is also advisable to consider and occasionally to make use of private capital, if it offers cash money, for the development of trade.

We are suffering from lack of capital needed for the development of our industries and we cannot yet completely renounce the utilizing of private capital in the field of commerce when this may be of value for the development of industry.

The Industries of Leningrad

THE most grievous years, when Leningrad was overgrown with grass, when pedestrians straggled through the deserted streets in single file, and the factory chimneys smoked no more, are a thing of the past.

From statistical information it is known that at the beginning of 1921 only about 90,000 industrial workers remained in the city—a figure which constitutes but 38 per cent when compared with the number of industrial workers (234,000) on January 1, 1914.

Of the years of the civil war, 1919 and 1920, it is, indeed, futile to speak. For those two years it is not even worth while adducing statistical data, for there were then no industries at all in the city: the civil war and the blockade paralyzed all industrial activity.

However, toward the end of the seven-year revolutionary period the index hand was abruptly deflected from the well nigh zero position which it had occupied during the above-mentioned years. On January 1, 1921, the number of workers in the plants of Leningrad's manufacturing industries (including all enterprises, under State management, as well as leased, with more than 50 employees each) amounted to 90,000, as was stated above. On January 1, 1922, this number had even fallen to 70,000. With this same date a steady and comparatively rapid rise begins. On January 1, 1923, the number of industrial workers had already ascended to 82,000; on January 1, 1924, it was 96,000; and on October 1, 1924, the total was 120,000.

Thus, by the beginning of the current fiscal year (from October 1, 1924) the mass of the industrial personnel had grown to 1.7 times, or by 70 per cent, in comparison with January 1, 1922. And this increase had, of course, not only the arithmetical significance cited, but it is also crowded with the most vital content—the chimneys are smoking, the wheels are turning, and the industrial workers find themselves at their machines.

At the same time the real value of the products turned out is increasing. For the fiscal year 1921-22 this value was set at 140,000,000 gold rubles, and in 1922-23 it had already risen to 212,000,000 gold rubles, which testifies to the substantial growth of Leningrad's industries. For

the fiscal year recently expired (October 1, 1923, to October 1, 1924) the value of the output is reckoned at 253,000,000 gold rubles, making up 13 to 14 per cent of the Soviet Union's entire industrial production.

Here it is proper to notice one feature of Leningrad's industries. Whereas the number of workers has increased by 70 per cent since the end of 1921, the value of the output has augmented by 140 per cent; in other words, the productivity of labor has doubled, although it is not yet up to the pre-war standard.

During the past year the development of Leningrad's industries has rested upon the two following grounds: Upon the technical perfection of the manufacturing processes aiming at improved quality and a more varied assortment of products, and upon the reduction of prices.

The price reductions effected by October 1, 1924, as compared with the summer of 1923, are illustrated by the following percentages: The price of chintz fell 45 per cent, thread 32 per cent; second-grade cigarettes 38 per cent, women's shoes of chrome-tanned leather 43 per cent, soap 35 per cent. Such reductions naturally contributed greatly to the approximation of the scales of prices for agricultural products and manufactured goods and brought Leningrad's manufactures relatively within the reach of the population. In connection with all this, sales not only did not diminish, but they even increased: In 1922-1923 sales aggregated 120,400,000 gold rubles; in 1923-24 they went up to 234,400,000 gold rubles. Bearing in mind the price reductions made during the past year on goods of mass consumption, the cited expansion in sales must be regarded as a very favorable sign for the Leningrad market. The volume of merchandise being put out on this market is manifestly increasing and is being immediately absorbed by the consumers. The growth of the commodity volume may be judged by the following approximate data: In 1922-23 the output of the cotton goods industry was valued at 8,800,000 gold rubles; in 1923-24 it had risen to 14,700,000 gold rubles, while it is estimated at 26,500,000 gold rubles for the fiscal year 1924-25.

The data adduced characterize only incompletely and in a summary manner the progress of Leningrad's industries since the Revolution of 1917. Yet one circumstance deserves special mention in view of its importance at the present time and its still greater importance for Leningrad's industries in the immediate future. The relative share of the metal industry in the general balance sheet of Leningrad's industrial activities is continually growing. The Leningrad machine building industry, working more and more for the general national market, has demonstrated its significance for the entire Soviet Union. Leningrad's machine plants are regaining the sound reputation which they deservedly enjoyed before and even during the war.

The great percentage of skilled workers, the high standard of the technical personnel, and the material equipment of the factories—all this justifies the place which the Leningrad metal industry has been winning for itself during the past years, despite every obstacle. And it is not at all an accident that the orders from consumers not subject to State quotas (such as communal, agricultural and other enterprises) account for 58 per cent of the total output of the Leningrad metal industry, while this class of orders makes up only 38 per cent in the metal industries of the entire Soviet Union.

This is why it may be asserted with full justification that in the development of the Leningrad machine building plants lies not only a pledge of the progress of Leningrad, but there is also embraced therein one of the strongest possibilities for the industrial reconstruction of the whole country.

Krassin on the Foreign Trade of the Soviet Union

AT a meeting of the employees of the Peoples' Commissariat for Foreign Trade held on November 19, 1924, Mr. Krassin, People's Commissar for Foreign Trade, made a detailed report of the present situation of foreign trade of the Soviet Union and of its prospects.

Mr. Krassin stated that both in the execution of the export and import program the Peoples' Commissariat for Foreign Trade has very closely approximated the original program. During the last fiscal year the Soviet Union exported 189,000,000 poods of grain-products out of the proposed 190,000,000 poods; the quantity of oil products exported was 100,760,000 poods, which is 760,000 poods more than was originally planned. The export of all other products has, on the whole, surpassed the original plans.

During the present year, in spite of the fact that grain, the most important item, will not figure among the exports, the Peoples' Commissariat for Foreign Trade estimates that the total turnover will reach a figure in excess of one billion gold rubles, and that a favorable trade balance will be obtained.

The financing of foreign trade has developed considerably. A Bank for Foreign Trade has been established to represent the Peoples' Commissariat for Foreign Trade in the financing of trade operations. The Far Eastern Bank ("Dalbank"), is also functioning with success.

Notwithstanding the refusal of the governments of the great powers to grant credits to the Soviet Union, the big foreign banks are transacting business with the agencies of the Commissariat for Foreign Trade, the Bank of England leading with credits extended to Arcos to the amount of £16,859,631.

As regards commercial agreements and treaties, Mr. Krassin pointed out that the important feature of the treaties concluded with Italy and England is the fact that for the first time the other governments recognized the foreign trade monopoly of the Soviet Union and the People's Commissariat for Foreign Trade as the institution which regulates this monopoly.

Touching on the Soviet-German negotiations, Mr. Krassin stated that in these negotiations the Soviet Government sets out from the principle of mutual non-interference in the economic life of each country. The Soviet Government will not make any concession in the question of the foreign trade monopoly, which is absolutely necessary for the economic interests of the Soviet Union.

Some foreign capitalists, observing the firm attitude of the Soviet Union in the question of the foreign trade monopoly, are endeavoring to elude it by asking permission to send their traveling salesmen, by seeking the abolition of licenses, and the establishing of offices of foreign firms without registration; they are particularly insistent on the right of direct trading with State institutions and economic organizations. However, these attempts will not succeed in breaking the foreign trade monopoly.

Mr. Krassin then reviewed the international relations insofar as they affect the foreign trade. From among the victorious countries the largest business with the U. S. S. R. is done by England, and although it is not certain whether the present conservative government of England will sign the commercial treaty, it can hardly be assumed that in the future it will not discuss the matter again.

As regards France, the resumption of relations opens up possibilities for the extension of business transactions with that country. The strengthening of the position of the U. S. S. R. in France will undoubtedly influence its standing in England.

The Soviet Union can export to France flax, oil-products and grain, should surplus stocks be available from next year's crop. During the past year, in spite of the absence of any official relations with France, the U. S. S. R. exported to that country 30,000,000 gold rubles' worth of grain products.

As to Italy, Mr. Krassin pointed out that the Italian industry is able to execute many orders for the Soviet Union as efficiently as Germany. Endeavors are being made at present to increase the export to Italy of oil products and coal from the Donetz Basin.

As regards commercial relations with the United States a growing trade is being conducted between the two countries through various organizations, such as the Amtorg Trading Corporation which was organized in accordance with American laws. The United States supply Russia with cotton, machinery, etc. An order was recently placed

with an American industrial establishment for a large shipment of tractors, and within a little over a month the order was carried out. The Soviet Union, on the other hand, exports to America furs. Both the Amtorg Trading Corporation and the Soviet Bank for Foreign Trade have special credit arrangements in carrying out transactions. No official relations between the Soviet Union and the United States of America have been established as yet, but trade going on between the two countries will undoubtedly lead to an exchange of official representatives.

With Japan negotiations are now going on, and although the difficulties are many, there is hope that a definite agreement will be arrived at.

With respect to the commercial relations with Germany, Mr. Krassin stated that both the historic and economic past of the two countries, as well as their close proximity, should vouch for lively trade relations between the Soviet Union and Germany.

At the conclusion of his report Mr. Krassin spoke of the considerable progress of Soviet trade with the countries of the East, presenting the activities of a number of mixed Soviet-Persian corporations.

Soviet Oil Exports in 1923-24

THE output of oil in the main producing regions, Baku and Grozny, is increasing from month to month, while the consumption of fuel by the State enterprises and the transport system is increasing very slowly. As a result, there is to be noticed a constantly increasing supply of fuel oil and oil products, both in the producing localities, as well as in the warehouses of the Oil Syndicate. Under these circumstances the exportation of oil not only acquires a position of great importance for the State as a whole, as an element operating in the direction of a favorable trade balance, but also may afford an opportunity for a further development of the Soviet Union's oil industry.

It is at present already possible to give a general description of the export activities of the Oil Syndicate during the past fiscal year (October 1, 1923 to October 1, 1924).

The export of oil products to foreign countries during the above mentioned period amounted to 44,155,000 poods, distributed as follows among the various products:

	<i>Poods</i>
Benzine.....	8,173,000
Kerosene.....	21,205,000
Machine Oil.....	4,567,000
Solar Oil.....	2,864,000
Spindle Oil.....	486,000
Cylinder Oil.....	41,000
Other types of lubricating oils.....	31,000
Paraffine Oil.....	4,156,000
Emba Oil.....	260,000
"Mazut" (fuel oil).....	2,372,000

If the exports during 1923-24 are compared with those during 1922-23, both a general increase in the total oil exports as well as in the exports of the individual products may be observed.

The entire exports in 1922-23 amounted to 18,906,000 poods; the exports during the past year therefore represented an increase of 133 per cent, in which connection it must be pointed out that Russian "mazut" for the first time is a feature of the exports during the past year.

The most important markets that provide a sale for the Russian oil products are: England, Germany, Italy and the Near East. A considerable quantity of Russian kerosene was sold through the great world trusts, which imported it into Turkey, Egypt, and to some extent to England. Of the 8,173,000 poods of benzine shown above 4,505,000 poods were sold in England, which amounts to about 55 per cent of the entire exports of benzine. The remaining quantity was distributed in almost equal shares among Germany, France, Belgium and Italy. The principal market for the sale of solar oil is Germany, to which 2,094,000 poods were sent, while the remaining quantity was disposed of to England, Belgium and Holland. The exports of machine oil are almost equally distributed between England, Germany, and France, while a very small quantity of the sales went to Belgium, Holland and Italy. Grozny paraffine oil has a limited market; Hungary and Yugo-Slavia are the countries to which the entire export of this substance was sent. Mazut was sold chiefly to Italy and France (900,000 poods to each country), while small quantities went to Belgium, Holland and Turkey.

In considering the countries to which the Soviet Union sold its oil products, the exports to Germany and France deserve particular attention because of the circumstances under which they were carried out.

The difficult financial situation of Germany, which brought with it a curtailment of industry and trade in that country, together with the strained relations between the German and the Soviet Government (that were caused by the incidents of May, 1924), resulted in a considerable decrease in the exports of Russian lubricating oils and benzine to this market, as contrasted with the program as at first drawn up.

The unfriendly attitude of France toward the Soviet Government, and the interruption in the economic relations between the two countries, almost completely eliminated France as a possible market for Russian exports. Only in exceptional cases did some of the Russian products go to France, the contracts having been concluded outside of France.

As for the market offered by the Baltic States, the principal item in the Russian exports to Lithuania and Esthonia is kerosene, while kerosene and Emba oil was sent to Latvia.

During the past fiscal year, 468,000 poods of oil products, including 359,000 poods of kerosene, as

well as lubricating oils and dark oil products, were exported to Esthonia.

In the same period 810,000 poods of all kinds of oil products—of which 514,000 poods were kerosene and 229,000 poods Emba oil, the balance consisting of benzine, lubricating oils and dark petroleum products—were exported to Latvia.

The exports of oil products from Soviet ports to foreign countries do not give a clear picture of the export activities of the Oil Syndicate, since on the one hand these exports were in part due to transactions already concluded in 1922-23, while on the other hand large sales were made during the past year, which will not result in exports until the 1924-25 season or even later.

For this reason, the data as to the sales made in 1923-24 may prove more enlightening than the export figures. During that period there were sold in all 72,537,000 poods of various oil products, distributed as follows among the various substances:

	<i>Poods</i>
Kerosene.....	24,658,000
Benzine.....	13,930,000
Machine Oil.....	11,921,000
Solar Oil.....	9,845,000
Spindle Oil.....	1,904,000
Other Lubricating Oils.....	856,000
Paraffine Oil.....	485,000
Emba Oil.....	510,000
Mazut.....	4,778,000

As compared with the quantities sold in the course of 1922-23, the above figures signify an increase of 144 per cent. Proceeding to an examination of the question of the prices obtained in the sale of Russian oil products during the fiscal year 1923-24, it must be borne in mind that at the beginning of the past fiscal year there was a sharp decrease in crude oil and benzine prices in the European market, which continued until January, 1924. From January on, there was a gradual increase in these prices, continuing until the end of April, when a depression again began.

Because of this unstable market, the Russian sales of oil and oil products present considerable fluctuations in their prices, depending both on the time when the transactions were concluded, as well as on the time of the actual delivery of the materials (in consignment contracts with prices based on the bulletins of the New York Exchange). On the average, prices fluctuated quarterly during the past year in accordance with the following table:

Kerosene.....	from £3/8	per ton to	£ 3/13
Light Benzine.....	" £8/19	" " "	£13/0
Heavy Benzine.....	" £7/16	" " "	£12/13
Machine Oil.....	" £9/0	" " "	£11/10
Solar Oil.....	" £5/8	" " "	£ 6/5
Mazut.....	" £2/11	" " "	£ 3/0
Paraffine Oil.....	£3/13		

Up to the beginning of the past year Soviet exports of oil products were carried on by means of contracts for the sale of considerable quantities to the great world trusts, represented chiefly by the Standard Oil Company and the Shell Oil Company.

Since the Soviet oil industry sold all its oil products f. o. b. Batum and Novorossiysk to the above named large firms, it was thus deprived of all the advantages of carrying on its own wholesale and retail trade, and forced to accept whatever prices were dictated by these trusts. But with the past fiscal year the Oil Syndicate introduced a new method into its work in the foreign market. With the object of bringing the Russian goods to the consumer and conquering a definite place in this market, the Oil Syndicate organized a mixed company together with Arcos for trading in oil products in Great Britain and Egypt.

For the distribution of the Russian oil products in the Turkish market it is intended to establish a similar mixed company which with the aid of its own plants, as well as its own can-factory and various other technical appliances, should be able to organize a wholesale and retail trade in kerosene.

In addition to this the Oil Syndicate during the past year made an agreement with a number of independent oil concerns which have their own plants, with the object of supplying Russian oil products to such firms for distribution on a consignment or commission basis.

During the current fiscal year (beginning October 1, 1924) a number of favorable circumstances are considerably facilitating the execution of the export plan. Normal political and trade relations have been restored with Germany, and this market may therefore be fully utilized during the present year for the sale of Russian lubricating oils and benzine. Now that the Soviet Union has been recognized by France de jure, it may without further obstacles consign its oil products to the French market, which offers a very large field. Data at the disposal of the Soviet oil industry show that the Soviet Union can sell on the French market during the current year no less than three million or four million poods of benzine and two million or three million poods of lubricating oils. The U. S. S. R. also occupies a very favorable position in the matter of supplying the French Fleet and French industry with its mazut. Even before the Soviet Union was recognized by France, the newspaper "Le Courrier de Pétrole" wrote the following: "The renewal of relations with Russia will serve to revive the port of Marseilles, and the importation of Russian oil products into France, particularly the excellent Russian lubricating oils, which can now be found only in certain countries, will create favorable conditions for a more healthy development of the French oil market."

The immediate task of the Oil Syndicate is the establishment of a commercial and technical organization which will be commensurate with the volume of the Soviet oil exports. The organization of appropriate trading offices in Italy and France, the strengthening and developing of the trading mechanism of the Mixed Companies in England and Turkey, are measures that will determine in a very great measure the extent to

which Russia can take advantage of the export schedule she has drawn up.

The Oil Syndicate has already proceeded to carry out its plan to order tank steamers for ocean transportation, and the highest Government organs have handed down a favorable decision on the question of laying pipe lines from the production centers to the Black Sea, for the present the pipe line starting at Grozny.

All this goes to show that the oil exports are being built up on an enduring foundation, and it is reasonable to suppose that in the near future the Soviet Union will have acquired its proper place on the world oil market.

The Northern Sea Route

AUGUST of 1924 may be marked in the calendar of the Soviet Union, not without pride, as the fifth anniversary of its creative efforts and accomplishments in the matter of bringing about direct communication between Europe and Northern Siberia with its inexhaustible riches.

For the fifth time the People's Commissariat for Foreign Trade charged its ships in England with cargoes of separators, transmission belts, tanning extract, tin, iron, spinning machinery, saws—in short, everything needed by the Siberian peasantry and Siberian industry.

Siberia is an enormous country cut off from the entire civilized world by reason of its immense distances, its impassable roads, and the Great Siberian Railway which runs only as a thin line through the country, is unable to afford an outlet to the inexhaustible wealth of the country, to serve as a means of export for the cheap Siberian grain, raw materials, and timber.

For this reason immense importance attaches to another great route—the Northern Sea Route, leading from Europe by way of the Arctic Sea and the Kara Sea to the mouths of the great Siberian Rivers, the Ob and the Yenisei, the length of whose tributaries throughout Siberia is thousands of versts. This route, involving immense possibilities for the development of Siberia, has held the untiring attention of the Soviet Government, and since the moment when Siberia and Archangel fell into its hands, the People's Commissariat for Foreign Trade has been making efforts to connect Siberia not only with Archangel, but also with the European countries.

As early as 1920, after the liberation of Siberia from the "Whites," the Soviet Government sent a fleet of forty ships from Archangel through the Kara Sea, to obtain grain and other cargoes. And in the Fall about 700,000 poods of grain and other materials were taken to Archangel from the mouths of the Ob and the Yenisei.

But the problem of the Soviet Government was not limited to the results of these efforts to bring

about a temporary connection between various places of Northern Russia and Siberia. The Soviet Government saw more deeply and further ahead than a mere incidental forwarding of steamers to get grain. It was clear to the Soviet Government that only by this cheap and short route could Siberia's inexhaustible supplies of coal, timber, graphite, asbestos, raw materials and fish, be rendered available for exploitation.

Suffice it to point out that according to the investigations of Russian scientists, there is buried in the Notilsk deposits (one hundred versts from the Yenisei) alone, anthracite coal to the quantity of four billion poods; while Siberia can export in grain alone one hundred million poods; and as to timber, fish, and other products, it is simply impossible to calculate how much of these may be obtainable.

It is true this route has been known for centuries. It is true that even under the Tsarist Governments a number of efforts were made to reach the mouths of the Ob and Yenisei, and there were not only efforts but also foreign companies, which earned many millions of gold rubles along this route, but all these activities were carried on in a planless way, without any system, as occasion arose and only a few Russian citizens had in mind any thought of awakening Siberia to life.

Thus it was necessary to start from the very beginning, with naked hands, as it were, as there was no capital available for that purpose. And the first real beginning made by the Soviet Government in this direction was the dispatching of the Second Kara Sea Expedition in the year 1921.

The Council of Labor and Defense entrusted the People's Commissariat for Foreign Trade with the entire business of organizing the Second Kara Sea Expedition. The Commissariat assigned this work to the Northern Sea Route Committee (in Siberia) and "Arcos" (the All-Russian Cooperative Society), the representative of the People's Commissariat for Foreign Trade, in England.

According to the plan elaborated by the People's Commissariat for Foreign Trade, the expedition was to pursue the following tasks:

To obtain in Siberia and transport abroad about 500,000 poods of export merchandise—wool, graphite, bristles, hides, etc., and to forward from Siberia to Archangel 800,000 poods of grain. To forward from abroad to Siberia—agricultural implements, machines, rifles, shot, powder, in exchange for goods from Siberia.

Arcos purchased five steamers for this purpose, which it named as follows: "Leonid Krassin," "Jacob Sverdlov," "Trotsky," "Vneshtorg," and "Arcos"; to these steamers were added seven steamers of the Archangel White Sea Transportation Company; at the head of the expedition sailed the best Russian ice-breaker, the "Lenin."

On August 1, 1921, the Arcos steamers, headed by the ice-breaker "Lenin," sailed into the port of Murmansk, for bunker coal. On August

10, the Archangel squadron ("Rusanov," "Sibir-yakov," "Yushan," "Kanin," "Yenisei," "Sedov," and "Ob"), headed for the Yugor Strait—at the entrance to the Kara Sea.

On August 15 the Arcos squadron left Murmansk; on August 16th the Archangel squadron passed through the Yugor Strait; on August 18th the Arcos squadron also passed through the Yugor Strait; on August 21st the Archangel squadron was already at the mouth of the Ob River, at Novy Port.

On August 23rd the Arcos squadron entered Novy Port, passing through the ice, which had formed in the meantime. On August 27th, a river caravan also reached the port coming from the south down the Ob River, having left Omsk and Novo Nikolayevsk on July 23. The work of discharging and loading went on for eighteen days; the following were discharged at Novy Port (Ob River): From the Arcos squadron, 398,184 poods of imported goods; from the Archangel squadron, 40,000 poods of pitch. There were loaded at the same port: on the ships of the Arcos squadron, 220,162 poods of articles for export, and 154,000 poods of grain; from the ships of the Archangel squadron, 295,934 poods of grain.

At the mouth of the Yenisei there were discharged: from the S. S. "Arcos," 158,348 poods of imported merchandise; from the S. S. "Ob" and "Sedov," 60,000 poods of pitch; there were loaded: on the S. S. "Ob" and "Sedov" 85,000 poods of grain; and on the steamer "Arcos" 75,404 poods of articles for export.

On September 26, the Arcos steamers arrived safely at Murmansk, to proceed on their voyage to England, while the Archangel squadron entered the port of Archangel at the same time. The expedition had been brought to a satisfactory conclusion.

The following articles of export had been taken from Siberia: raw hides, 64,726 poods; hairs and bristles, 30,269 poods; wool, 46,705 poods; graphite, 70,400 poods; asbestos, 85,632 poods.

There were brought into Siberia:

Tea, 40,626 poods; groceries, 85,827 poods; metallic articles and machines, 365,537 poods; chemical products, 1,525 poods; crockery and glassware, 11,529 poods; various household articles and office supplies, 40,504 poods.

In 1922 the Soviet Government, having learned the importance of systematically supporting and equipping expeditions to the Kara Sea, again decided to equip a maritime expedition to that quarter.

The 1922 expedition was participated in not only by the People's Commissariat for Foreign Trade and the "Centrosoyuz," (Central Union of Consumers' Cooperatives) but also by a number of local organizations. The knowledge gained in the preceding expeditions was used to advantage, and the route of ships from the Yugor Strait to the mouth of the River Ob was improved.

The expedition departed from England on Au-

gust 1, as it had on the previous occasions also, in order to take advantage of the two-months' period of open navigation of the Kara Sea.

At the head of the expedition was the ice-breaker "Lenin," followed by the Arcos ships "Jacob Sverdlov," "Leonid Krassin," "Trotzky," "Vneshtorg," and "Arcos."

The steamers loaded the following cargoes in England: Tea, 25,946 poods; groceries, 8,508 poods; metals, 84,410 poods; machines and metal products, 287,211 poods; chemical substances, 9,116 poods; medicaments, 18,499 poods; tanning extract, 52,228 poods; rifles, powder, shot, etc., 6,058 poods.

In exchange for these imported articles, the following were loaded at Novy Port, in the mouth of the Ob: Flax, 24,226 poods; raw hides, 263,080 poods; furs, 2,718 poods; feathers, 1,223 poods; hairs and bristles, 18,691 poods; wool, 18,812 poods; asbestos, 22,939 poods; medicinal raw materials, 1,074 poods; miscellaneous, 3,207 poods.

The expedition was brought to a very successful conclusion and the distribution of its articles of export and import appears quite characteristic and representative, as compared with that of the 1921 expedition.

It is most interesting of all that foreign business men began to show interest even offering their services not only to equip the expedition, but even to equip it at their own risk and peril.

The fourth expedition, in 1923, was thwarted due to strained relations with England and therefore took the form of a small expedition to the mouth of the Yenisei River, managed by "Centrosoyuz," consisting only of the steamer "Trotzky," chartered from Arcos, the river tug-boat "Cooperator," and the iron river barge, "Drug," obtained by the Yenisei Provincial Cooperative Organization for navigation on the Yenisei River. The expedition was accompanied by the ice-breaker "Rusanov." The following articles were taken to Siberia:

Tea, 29,508 poods; groceries, 11,746 poods; chemical products, 10,741 poods; peasant household articles and hunting equipment, 13,676 poods.

There were exported from Siberia the following articles:

Wool, 1,079 poods; graphite, 20 poods; miscellaneous, 350 poods. The accomplishments of this expedition are not brilliant from the standpoint of quantity, but its importance is nevertheless great in every respect, for systematic experience was acquired in the navigation of the Kara Sea and practical and methodical work was shown in the conduct of the expedition.

All these expeditions were exempted from customs duties.

The Fifth Kara Sea Expedition, though started a little later in the year, was expected to be excellently equipped in experience and practical knowledge.

As in the case of the former expeditions, the

centers for the preparation of this expedition are: For the Sea Expedition, in London, at the office of Arcos; for the River Expedition, in the Northern Sea Route Committee in Siberia. And as in preceding years, the purchase of goods for Siberia is entrusted to Arcos, as well as their loading on ships, their delivery at the mouths of the Rivers Ob and Yenisei, and finally also the delivery abroad of return cargoes from Siberia, and the sale of such export cargoes abroad. And as in former cases, the Northern Sea Route Committee, acting in free cooperation with the Siberian economic and trading organizations, will prepare the export cargoes and deliver them at the mouths of the Yenisei and Ob, after transporting them on the rivers and their tributaries.

The foreign Sea squadron consists of the Arcos steamers "Leonid Krassin," "Luch" and "Arcos," which will be able to carry about 600,000 poods of cargoes of all kinds.

According to the plan as devised for 1924 the Sea Expedition and the River Expedition were to meet at the mouths of the Rivers Ob and Yenisei about August 15.

The principal participants in the commercial phase of the expedition were the State Trading Bureau ("Gostorg") and "Centrosoyuz." These two organizations proposed to forward to Siberia about 350,000 poods of cargo of all kinds, consisting of separators, butter wrapping paper, tanning extract, transmission belts, zinc, tin, tea, dyes, electric light bulbs, and a number of other articles needed in Siberia. About 150,000 poods of raw materials, butter and high-grade timber are to be exported.

One of the results of the experience and success of the Northern Sea Route business is apparent in the formation of a Northern Sea Route Bureau attached to the Soviet Trade Delegation in London. This Bureau is to apply the experiences of the Kara Sea Expeditions, to make propaganda for the idea of developing the Northern Sea Route and to elaborate a number of measures for improving and solidifying this business.

Finally, it will not be without interest also to point out the considerable difference in freight rates for the cargoes taken by way of the Northern Sea Route in 1924.

The freight rates in 1924 are per long ton (62 poods), from England to the mouths of the Ob and Yenisei Rivers, 37/6; from the mouths of the Ob and Yenisei to England, for return cargo, per measurement ton (40 cubic feet), 40s; and £5/19/0 per standard (165 cubic feet of timber).

These figures will become clearer if it is taken into account that in 1921 the freight rates were as high as 100 shillings (5 pounds sterling) per measurement ton (40 cubic feet) or 85s per long ton and 68s per measurement ton for the Third Kara Sea Expedition (in 1922).

It is an extremely important matter to awaken to life regions which by their dimensions and

natural resources are more significant than all the countries of Europe put together.

Already now, after four of these expeditions, it is possible to observe a perceptible increase in activity in Siberian localities where the foot of man had never trod before.

It is easy to foresee the future development of those regions when hundreds of sea-going ships are piloted through the Kara Sea to the mouths of the Ob and Yenisei Rivers, taking advantage of the two or two and one-half months of the navigation season, and carrying off enormous quantities of fish, grain, timber, coal, and fur skins in exchange for agricultural machines, implements

for gold-mining, dynamos and factory equipment.

Approximate estimates for the exports by the Northern Sea Route may be fixed in advance at about 100,000,000 poods of grain, 50,000,000 poods of high-grade timber, not less than 2,000,000 poods of asbestos and graphite, tens of thousands of fur skins of various kinds: Sable, Arctic fox, ermine, red fox, squirrel, marmot, skunk; millions of poods of sturgeon, salmon, whitefish, and other valuable kinds of fish. And if coal is also included as an article of export, the Northern Sea Route will be assured of export cargoes of no less than 100,000,000 poods per year, not counting the enormous quantities of goods and cargoes that will have to be imported for Siberia.

Third Anniversary of Soviet State Bank

IN SUMMING up the results of the work of the Soviet State Bank during the three elapsed years it is necessary to estimate, in the first place, in what measure it expediently and consistently developed its activity in the sphere of the reconstruction of credit and monetary circulation, and, in the second place, to elucidate the conditions and prospects of the State Bank's work for the forthcoming period.

The first year was a period of organizational work, the creation of the prerequisites indispensable for any activity at all by credit institutions, and the construction of the very framework of the credit apparatus. Parallel with this was conducted the great work of accumulating the real resources as a foundation for the emission activity of the State Bank. All this was carried on during the most acute time of the casting off of the forms of natural economy (production for personal consumption and barter), in the face of an extreme reduction in the population's purchasing capacity and under conditions of extraordinary currency inflation.

In the second year the results of the first year's activity rendered it possible to enter upon the issuance of stable bank-notes. Throughout the entire course of the year 1923 the depreciating Soviet paper money was being displaced by the chervonets currency. The extension of the stable medium's circulation sphere lead to an increase of the participants in the credit turnover, since a favorable basis was created for attracting into the commercial and industrial turnover the provincial markets, until that time separated and economically isolated from the large capital cities. The number of provincial branches was considerably enlarged. The question of the decentralization of credits took its place upon the order of the day. Simultaneously a rapid growth of industrial and agricultural production was observed. At the beginning of the third year of the State Bank's existence, in connection with the increasing volume and complexity of the trading and in-

dustrial turnover, the problem of correctly coordinating the emission and credit policy with the development of country's entire economic life assumed greater and greater importance. At the same time the significance of credit was revealed in larger and larger measure as a tool with the help of which the character of market relations could be guided and adjusted. The matter of a credit program was brought forward as an indispensable requirement for the accurate conduct of credit activities toward these ends.

As in the two preceding years, the fundamental and leading factor of the entire work during the third year was the creation of a stable monetary standard for the country at the beginning of the year and its maintenance at the close. While intensifying and extending its labors in this direction, the State Bank endeavored at the same time to solve the problems presented to it in the field of credit decentralization, gradually devoting more and more attention to the introduction of the principle of systematic activity in its operations. The bank's organizational activity also continued to develop hand in hand with this. Connections with foreign lands were formed and strengthened. This last element is bound to play an important role in the future in fortifying the Soviet Union's position on foreign markets, and the point will be dwelt upon below.

Accordingly, the first two years of the State Bank's activities were directed mainly toward the organization of a widely comprehensive banking apparatus, toward the creation of basic conditions and prerequisites rendering credit work possible in general, and toward the accumulation of the necessary material resources. During this period of general activity the State Bank marked out only the broad contours of the immediate tasks and did not find it feasible to predetermine with sufficient accuracy and calculate the results of its labors in the matter of reconstructing and developing the country's national economy. Only in the course of the third year of its activity, on

the basis of the achievements of the previous two years, did it secure an opportunity to set before itself clearly defined objectives for the completion and consolidation of the country's stable currency and the utilization of the credit policy as an instrument for the development of individual branches of national economy in proportion to their interrelations along the principles of program regulation.

The activities of the State Bank, having been carried on during the third year of its existence on the basis of the firm banking currency already attained and under conditions entailing the possession of a completely organized and elaborated banking apparatus, make it possible to sum up the work conducted by it and to appraise the results obtained.

The State Bank and Currency Issues

What did the State Bank do during the past year toward the creation of a firm exchange rate for its bank-notes, and to what extent was its emission policy correct?

Apart from a number of general measures concerning the bank's credit policy, the assurance of a stable chervonets required, of course, the accumulation of a certain foreign currency and bullion reserve. On October 2, 1923, the foreign currency and precious metals amounted to 174,500,000 gold rubles. According to preliminary data, on October 1, 1924, the above reserve had grown to 304,900,000 gold rubles. As is manifest, with the aim of giving the chervonets greater stability, greater reliability, an effort has been made to have a gold reserve of a size much larger than required by law, and the policy up to the present has been directed toward the end of having the State Bank possess a guarantee fund of 40 to 50 per cent instead of the 25 per cent legally prescribed. Considering that the country is living through the still far from finished stage of the restoration of money circulation, and bearing in mind the fact that during these periods all sorts of surprises are possible within the realm of the money market, such as a heavier demand than was formerly observable on the open market for foreign currency and gold, large reserves thereof must be available so as to assure at any moment the unrestricted conversion of foreign currency and gold into chervonets notes and thereby sustain the exchange rate of the chervonets at the level of its gold parity.

Moreover, the foreign currency fund, insofar as the course of the import operations and, consequently, the movement of the domestic market prices may be influenced through it, can also be utilized to sustain the purchasing power of the chervonets on the internal market, something which is, of course, just as important for the Soviet Union as the maintenance of the chervonets gold parity.

The problem of upholding the purchasing power of the chervonets on the domestic market fundamentally resolves itself into the correct determination of the extent of bank-note emissions. Toward this end the State Bank's emission policy was governed according to the country's trade turnover. The bounds to the procurement of funds by means of bank-note issues are fixed by the definite mass of real values circulating throughout the nation, and the overstepping of these limits would weaken the stability of the bank-note and the bank's own existence. During the course of the fiscal year extending from October 1, 1923, to October 1, 1924, the State Bank issued a total of 283,900,000 gold rubles in notes. This aggregate emission was distributed among the various quarters of the year 1923-24 as follows in percentages: First quarter (October-December)—15.9 per cent, second quarter (January-March)—20.4 per cent, third quarter (April-June)—17.4 per cent, fourth quarter (July-September)—46.3 per cent. In absolute figures 48,900,000 rubles more of notes were issued in the year 1923-24 than in 1922-23. As is evident, the increase in the extent of monetary circulation proceeded at quite an energetic rate. And if, despite such substantial issues, the purchasing power of the chervonets and its exchange rate with relation to the foreign currency remained stable, it is to be explained precisely by the fact that the speed of bank-note emission was in correct accord with the restoration velocity of the entire national economy. Consequently this second fundamental task facing the State Bank has been correctly solved in its general features. However, it is quite natural that the expanding production and trade turnover, growing from month to month, presented considerable credit demands, which, in view of the country's limited capital, could not and were not always to be completely satisfied. Herein is met the second fundamental problem of the State Bank's activity, the task of utilizing credits for the regulation of the economic life.

The State Bank's Credit Operations

An analysis of the State Bank's credit operations will show to what degree the problem of proper apportioning its resources was solved.

In examining the State Bank's credit operations it is well to stop first on the question of the extent to which it fulfilled the task of credit decentralization. At the end of the third year of its existence the bank possessed about 400 branches—offices, divisions, and agencies. Such an extensive net of provincial subdivisions of itself testifies to the decentralization of the work of the State Bank. This already indicates that the State Bank sees the center of gravity of its work not in the Main Office, but in its provincial divisions. The figures illustrating the growth of branch operations fully confirm this conclusion. On October 1, 1923, out of the total sum of earning assets, including

grain and merchandise operations in the amount of 338,800,000 gold rubles, only 151,600,000 gold rubles fell to the share of the head office, while 187,200,000 gold rubles fell to the share of the branches. On October 1, 1924, the share of the branches had already reached 419,000,000 gold rubles, while the share of the main office was 249,000,000 gold rubles. The branches, having made up but 55 per cent of the total resources through their earning assets on October 1, 1923, had already aggregated 63 per cent of the total by October 1, 1924. The corresponding share of the main office fell from 45 per cent down to 37 per cent. The capital of the branches also augmented at the same time. On October 1, 1924, the floating capital of the offices and divisions amounted to 292,200,000 gold rubles. Simultaneously with the growth of the liquid assets of the divisions and the expansion of their credit operations there was an increase in their deposits and current accounts, these constituting a larger and larger part of the condensed balance sheet as compared with the same items of the main office of the State Bank. Thus, on October 1, 1923, the deposits and current accounts in the branches totaled 62,200,000 gold rubles, whereas by October 1, 1924, they had advanced to 150,800,000 gold rubles. At the same time their relative share in the condensed balance sheet grew, having risen 3 per cent for the year.

As is manifest, the process of redistributing the credit resources along the lines of decentralization is going forward very energetically. In the matter of the development of discount and loan operations the State Bank was confronted with still another problem, a most complex one under the given circumstances. In consequence of the limitation of the State Bank's resources and

the impossibility of satisfying all the demands for credit submitted to it, naturally a question continually rose with particular urgency concerning the most rational apportionment of the resources at the disposal of the State Bank among the individual branches of national economy. The correct solution of this problem in each concrete case requires the elucidation of two factors. First, to what extent the work of the enterprise concerned is important for the entire national economy, and, second, how far the given client is good for credit. Only in the presence of an affirmative answer to these two fundamental questions can an enterprise enter among the number of the State Bank's clients with regard to its discount and loan operations. The development of operations for account of the opposite class of clients would lead to the loss of the State Bank's significance as a State and issue bank, for which it is above all indispensable to coordinate the principle of the commercial soundness of operations with the relative importance of an enterprise in the whole system of national structure. This principle was without exception laid down as the basis of the State Bank's development of credit operations during the elapsed year. Just in this connection it is worth while observing here that during the past year, thanks to the stressing of the planning principle in the work of the State Bank, in extending credits to the Soviet Union's industrial and trading enterprises a more and more detailed analysis has been made of the real importance of the development of a given industrial branch or enterprise to the economic life of the country as a whole.

The growth of the indebtedness of the various branches of national economy may be seen from the following table:

Branch of National Economy	Indebtedness in chervontzy (1 cherv. = 10 gold rubles)		Increase (+) or decrease (-) of indebtedness	
	Oct. 1, 1923	Sept. 1, 1924*	Chervontzy	Percentage
Industry (State and cooperative—including also the Syndicates)				
(a) Heavy industries (Coal, metal).....	743,000	4,517,000	+3,774,000	+507.9
(b) Light Industries.....	11,023,000	19,899,000	+8,876,000	+80.8
Transport.....	814,000	2,157,000	+1,343,000	+165.0
Trade (cooperative and State).....	5,614,000	9,519,000	+3,905,000	+69.6
Credit Establishments.....	2,131,000	5,370,000	+3,239,000	+152.0
Private Clients.....	1,314,000	501,000	-813,000	-61.9
Other Credits (agricult., etc.).....	3,781,000	7,140,000	+3,359,000	+88.8
Total.....	25,420,000	49,103,000†	+23,683,000	+93.2

From the foregoing figures it is apparent that the bulk of the State Bank's resources have been devoted to credits for light industry, operating for the general market, the indebtedness of this division aggregating 200,000,000 gold rubles. Much less of the State Bank's resources were dedicated to the financing of heavy industry. This basic feature, characterizing the apportionment of the State Bank's funds, is quite comprehensible, since the State Bank, as an issue bank, can work only with those economic branches whose working capital needs for its replenishment credits granted for comparatively short terms.

Here in the first place belong, of course, light industry and trade. However, if attention is directed to the rate at which the indebtedness of the individual industrial branches developed, it is seen that the indebtedness of heavy industry increased with exceptional speed during the past year.

*Detailed data for October 1 were not available at the time the article was written.

†According to preliminary data the indebtedness of the clients by October 1, 1924, amounted to 53,100,000 chervontzy (531,000,000 gold rubles); consequently the indebtedness increased during the year by 27,690,000 chervontzy (276,900,000 gold rubles), i. e. by 108.9 per cent.

This is explained by the fact that in 1923-24 the output of heavy industry began to enter the broad consuming market to a much more considerable extent. In addition to this, the Soviet Union's metal industry, intensifying its ministrations to light industry in connection with the reconstruction of the latter's equipment, had an opportunity to increase its holdings of commercial paper acceptable for discount by the State Bank. The trend observed in the work of heavy industry during the elapsed year is undoubtedly bound to be emphasized, as the country's need of metal is increasing, and, therefore, a further expansion of the credits granted to it by the State Bank may be naturally expected.

Financing of Agriculture

In summing up the work of the State Bank for the past three years it is unquestionably necessary to inquire in what measure the activity of the State Bank facilitated the development and consolidation of agricultural economy.

The State Bank's role in the direct financing of agricultural economy during the expired three-year period of its activity was comparatively modest and was limited to the support of consumers', industrial (homecraft) and credit co-operatives. Its indirect financing of agriculture by way of credits extended in operations for the purchase of raw materials for the country's industries and for the purchase of grain and similar operations, both for the domestic and foreign markets, runs into the hundreds of millions of gold rubles and must accordingly be regarded as one of the decisive factors in rendering possible the elevation of agricultural economy to a level of approximately 75 per cent of the pre-war standard.

During the fiscal year beginning October 1, 1924, in connection with the establishment of the Central Agricultural Bank, the State Bank secures an opportunity of supplying credits more regularly and planfully through the central apparatus for the financing of agricultural economy and the agricultural credit societies connected with it. The expansion of credit grants to the latter by the Central Agricultural Bank, resting upon the support of the State Bank, will create a firm foundation for the development of a broad and powerful system of agricultural credit, which is bound to play the part of a leavening ferment in the process of formation of credit resources specially designated for long-term agricultural financing.

The State Bank and Foreign Trade Financing

Finally, it is necessary to dwell upon still another phase of the development of the State Bank's operations that is also extremely important at the present time, namely, upon its role in the expansion of the country's foreign trade.

The turnover of the financing of foreign trade which is the principal source of the influx of

foreign currency, underwent the greatest development during the fiscal year 1923-24. In the history of the Soviet Union's foreign trade relations this year may be marked as the turning point signalized by the country's transition to the conquest of a firm position on the world market. For the first nine months of the elapsed fiscal year the bank opened export credits amounting to more than 150,000,000 gold rubles, i. e., over three times as much as for the entire preceding year. Almost 50 per cent of the country's export trade was financed by the State Bank. The financing of imports also increased markedly (8 times as much as the previous year). The State Bank's import credits constitute about 55 per cent of the total imports. In conjunction with the growth in the foreign trade turnover there was a very rapid development of money transfer operations with foreign countries. All these circumstances, together with the stabilization of the country's currency, placed the State Bank on the international market among the most powerful credit institutions, with which it is possible not only to carry on correspondent relations, but with the help of which and through which it is possible and necessary to reinforce and develop the reviving commercial bonds between the raw products markets and the Soviet Union. In this regard the English banks, having during the course of its three years of activity been connected with the State Bank more closely than the banks of any of the other nations of Western Europe, and realizing the financial achievements of the State Bank, knew how to appraise correctly what a powerful factor the institution would be in the matter of restoring trade relations with the Soviet Union, and they were the first to extend substantial credits to it.

The State Bank's Deposits and Current Accounts

Passing over to the development of the State Bank's deposits and current accounts, it is proper to dwell in the first place upon the growth of its deposit operations. It must be emphasized that the relative importance of this second source of the State Bank's funds, together with the emission of bank-notes from the time of the State Bank's conversion into an issue bank has grown steadily since the establishment of a firm currency. Altogether, according to approximate calculations, the growth of deposits up to October 1, 1924, placed at the disposal of the State Bank 515,000,000 gold rubles, that is, a sum nearly equivalent in size to the funds procured by the bank with the aid of bank-note emissions. Considering that the period of the extensive augmentation of the monetary mass is past, the State Bank must look to the increase of its deposits and the intensification of its deposit operations, since the growth of its resources must by no means be constructed upon calculations for accretions from emission sources. In this field the State Bank is confronted with the problem of

utilizing temporarily unused resources for the expansion of the credit turnover. This task appears all the more timely by reason of the fact that the credit plan for the last quarter of the fiscal year 1923-24 and for the first quarter of the new fiscal year was based to a considerable extent upon the development of deposit operations and upon the possibility of employing unused Treasury resources. This factor, inasmuch as the necessity of a considerable increase of bank-note emissions has been counted upon in order to finance the purchases of grain, possesses a particularly vital significance for the determination of the credits available for industry and trade. In connection with this a question has been raised as to the transfer of Treasury functions to the State Bank and as to the necessity of expanding its operations by raising the interest rates on deposits and current accounts and by lowering the charges on transfer and commission operations. The prognostication of a quickened pace in the influx of deposits in connection with the partial transfer of Treasury functions to the State Bank during the final quarter of the fiscal year has proved correct in its general features.

Currency in Eastern Siberia

WHEN the currency reform was put into effect in the Russian Far East, allowance was made for silver money of the old coinage, widely current among the local population, chiefly rural, to circulate temporarily together with the bank-notes of the State Bank and Treasury notes. It was necessary to give the peasantry an opportunity to get rid of the old medium. The new Soviet currency was introduced in the Russian Far East toward the end of April 1924. About half a year has accordingly elapsed since that time and during this period the Soviet medium succeeded in dislodging the old silver currency. The moment arrived when the monetary reform could be completely applied without loss to the Far-Eastern population.

On October 31, 1924, the Far Eastern Revolutionary Committee published a decree in virtue of which the issue of money of pre-revolutionary design was to cease on November 10, 1924. The acceptance of this old money by the offices of the People's Commissariat for Finances and by credit institutions was extended to January 1, 1925, in the interests of the population.

In a conversation with a representative of the local press the acting delegate of the People's Commissariat for Finances in the Far Eastern Region, Mr. Kononov, pointed out that the completion of the currency reform in the Far East is proceeding under conditions much more favorable than those prevailing at its inauguration.

During the course of the summer months, when both currencies, the old and the new, were maintaining a parallel existence on the Far-Eastern

money market, the new medium succeeded in routing the old silver from all its positions, so that the latter was reduced to the role of small change tokens. At the time of writing a considerable part of it had already been withdrawn from circulation and by the beginning of the new year all the rest of this old silver was to be concentrated into the offices of the Treasury Department. While supplying the market exclusively with chervonets and Treasury notes, the offices of the Treasury Department were to accept the old coins without restriction up to January 1, 1925, in payment of taxes and duties and to exchange old currency for new in unlimited quantities.

Advantage is taken of the grain purchases for supplying the rural market with the new money, while the collection of the agricultural tax is helpful in the matter of retiring the old silver.

The banks, the State trading organizations as well as the cooperatives in the various localities have been widely drawn into the work of retiring the old silver money and saturating the market with the new currency.

During the time it has been in circulation in the Russian Far East the new currency has already asserted itself positively on the trade turnover. Above all it has definitely strengthened the economic bond with the Soviet merchandise supply organizations, something that was primarily achieved through uniformity of currency system. Furthermore, the internal trade, leaning upon a federal monetary unit, consolidated itself and expanded, while commodity prices, having been arrested in their movement, partly became stabilized and partly displayed a definite tendency toward reduction. The revision of their calculations by the State trading bureaus on the basis of firm currency accounting, the elimination of the substantial overhead expense in the form of insurance against fluctuations of the old silver exchange rates—all this influenced the market in the most favorable manner.

The new monetary standard has completely fulfilled expectations; it has broadened the purchasing power of the population by lowering commodity prices, and it has put the economic life of the Russian Far East on a sound basis by linking its interests with those of the Soviet Union.

PAMPHLETS

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.

Foreign Relations of the U. S. S. R.

ON NOVEMBER 21, 1924 the British Foreign Office published the text of three notes addressed to the Soviet Government. The first of these notes deals with the Anglo-Soviet treaties—signed on August 8, 1924. The second note, as well as the third, are concerned with the Soviet notes of October 25 and October 26 respectively, regarding the "Zinoviev letter."

Sir:— *The Anglo-Soviet Treaties*

1. His Majesty's Government have had under review the treaties negotiated by their predecessors with the Government of the U. S. S. R. and signed on August 8 last.

2. I have the honor to inform you that after due deliberation his Majesty's Government find themselves unable to recommend the treaties in question to the consideration of Parliament or to submit them to the King for his Majesty's ratification.

(Signed) AUSTEN CHAMBERLAIN.

British Note on "Zinoviev Letter"

Sir:—

1. I have had under consideration your reply of the 25th October to the Note which my predecessor addressed to you with regard to the activities of the Communist International in this country.

2. In the third paragraph of that reply you undertook to declare, apparently upon internal evidence alone and without allowing time for any reference to Moscow, that the letter from Mr. Zinoviev which was the occasion of Mr. Ramsay MacDonald's representations was a gross forgery.

In support of this assertion you alleged that the Communist International is never described in its own circulars as the "Third Communist International," that Mr. Zinoviev never signs as "President of the Presidium of the Executive Committee of the Communist International," but always as "President of the Executive Committee," and that the whole of the contents are from a Communist point of view a tissue of absurdities.

3. His Majesty's Government cannot accept these assertions, which are disproved by reference to the official publications and daily press of the Union.

4. But it is unnecessary to go into these details, for the information in the possession of his Majesty's Government leaves no doubt whatsoever in their mind of the authenticity of Mr. Zinoviev's letter, and his Majesty's Government are, therefore, not prepared to discuss the matter.

5. I must further observe that you would entirely misapprehend the character of the representation, made to you by my predecessor if you supposed that they deal with Mr. Zinoviev's letter only. The activities of which his Majesty's Government complain are not confined to one particular letter, but,

on the contrary, extend to a whole body of revolutionary propaganda, of which the letter is a fair specimen, and which is sometimes conducted in secret and sometimes, as you rightly remark, not concealed.

The pronouncements of Mr. Zinoviev, which have been broadcast throughout the world, are in themselves sufficient evidence of propaganda in which the Third International, with the knowledge and consent of the Soviet Government, perpetually indulges, and it is this system which, in the view of his Majesty's Government, is inconsistent with the solemn undertakings given by your Government.

6. In his Note of October 24 Mr. Ramsay MacDonald observed that—

No one who understands the constitution and the relations of the Communist International will doubt its intimate connection and contact with the Soviet Government.

He further observed that—

No Government would ever tolerate an arrangement 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.

This is true, and the Soviet Government would do well to weigh carefully the consequences of ignoring this pronouncement.

(Signed) AUSTEN CHAMBERLAIN.

Mr. Gregory's Letter to Mr. Rakovsky

Dear Mr. Rakovsky:—

I have submitted to the Secretary of State your letter to me marked C R 8553 of the 8th November.

Mr. Chamberlain instructs me to reply that he has caused the records left in this office by his predecessor to be searched, and that your Note of the 27th October on the subject of Mr. Zinoviev's despatch to the Central Committee of Great Britain has not been found among them.

Mr. Chamberlain is, of course, familiar with the substance of this Note, which was published in Moscow, but he has no intention of departing from the decision communicated to you by Mr. MacDonald and recorded in this office that the Note in question was one which his Majesty's Government cannot consent to receive.

(Signed) J. D. GREGORY.

The Soviet Government's Reply to the British Notes

On November 28, 1924, Mr. Rakovsky transmitted the following notes to the British government:

Sir:—I received and acquainted my Government with your Note of November 21 in which the British Government notifies its refusal to advise the ratification of the general and commercial treaties of August 8 signed by Mr. Ramsay Mac-

Donald, the British Prime Minister and Secretary of State for Foreign Affairs, and by Mr. Arthur Ponsonby, the Under Secretary of State for Foreign Affairs.

The Soviet Government expresses its regret at the rejection of these treaties, the conclusion of which constituted an important step towards securing general peace, and in particular towards the strengthening of friendly relations between the peoples of Great Britain and of the Soviet Republics.

I am directed by my Government to state that on its part it has displayed the maximum of goodwill and of concessions in connection with the working out of a basis of agreement on questions of particular interest to the British Government, to the working class, and to other sections of the British population. Therefore, my Government cannot take any of the responsibility for the feeling of discontent which the decision of the British Government will cause in both countries.

(Signed) C. RAKOVSKY.

Rakovsky's Reply on "Zinoviev Letter"

Sir:—I have the honor to acknowledge the receipt of your Note of November 21 and of Mr. Gregory's letter of the same date, with the contents of which I have acquainted my Government. I am instructed by my Government to recall the following facts:

The alleged letter of Mr. Zinoviev addressed to the Central Executive Committee of the Communist party of Great Britain was the occasion for this correspondence and for Mr. Gregory's Note of October 24, handed to me on the evening of the same date, four days prior to the British elections. Immediately upon receipt of the above Note I informed Mr. MacDonald in writing of my absolute conviction that the alleged letter from Mr. Zinoviev was a forgery. Further, in a Note to Mr. MacDonald on October 27 I stated that after having made careful investigation in Moscow my Government had instructed me to declare categorically that the alleged Zinoviev letter was an absolute forgery.

In view of the very great attention given by British public opinion to this document my Government, in order to remove any doubts whatsoever and in order to establish the unbiased truth, offered to submit the document in question for impartial investigation and arbitration. During several weeks my Government received no reply to its offer. In the meantime many members of the British Government had publicly expressed their doubts as to the genuineness of the alleged document and some of them had even expressed their conviction that it was a forgery.

In view of the doubts existing in the matter the British Government found it necessary, after the election campaign, to appoint an authoritative Committee of the Cabinet, including the Prime Minister and Secretary of State for Foreign Affairs, to examine the nature and origin of the document. This Committee established that neither the Government nor any of the Government departments of

Great Britain had seen any "original document." This fact was made public on November 4.

These curious circumstances explain why public opinion throughout the world considers the "Zinoviev letter" as an undoubted forgery. This declaration by an authoritative British Committee destroyed the grounds upon which were based the accusations made by Mr. Gregory against the Soviet Government in the height of the election campaign, and my Government was inclined to consider the declaration as an actual withdrawal of the accusation. Indeed, the most elementary rules of jurisprudence forbid the making of accusations on the strength of copies of documents which have been neither verified nor certified by anyone and which no one of the accusers has ever seen.

It might be well to add that we understand that the delegation from the British Trade Union Congress, consisting of Messrs. Purcell, Tillett, Bromley, Findley, Bramley, Turner, and Smith, has, as a result of its investigations in Moscow into the genuineness of the "Zinoviev letter," unanimously come to the conclusion that "the delegation is absolutely convinced that the 'document' is a forgery, that no evidence to the contrary can be produced, and that the refusal of the Russian offer of arbitration can only be explained on that ground."

In view of the above my Government expresses its extreme surprise that the present Government of Great Britain has found it possible completely to ignore the fact established by its predecessor and that after having declined the offer for an investigation of the "document" by an impartial court it makes vague statements unsupported by any evidence that the "document" is genuine. My Government cannot accept such unproven allegations.

My Government considers that it has even more reason for rejecting the unfounded allegations made by the British Government since in the past accusations have repeatedly been made against the Soviet Government based on documents which on closer examination were found to be forged and of which even the origin has been established. My Government considers as established and proven the fact that in a number of cities in Europe and America there exist organizations under the leadership of Russian counter-revolutionary emigrants and of other suspicious elements engaged especially in the fabricating of forged documents with a view to undermining the international position of the Soviet Union. Quite recently I have submitted to the Foreign Office documental evidence at my disposal proving that on the territory of Great Britain there exist political organizations engaged in the fabrication and distribution of false documents concerning the Union of Soviet Socialist Republics.

In the name of my Government I express my deep regret that the British Government should base political acts having the most serious bearing upon the further relations between the Union of Soviet Socialist Republics and Great Britain on unverified documents emanating from doubtful sources, and should thus place the relations between the two

Governments on a very precarious foundation in that it makes them dependent upon the action of malevolent and sinister persons and political organizations pursuing selfish aims.

My Government considers that the declaration made by the British Cabinet committee on November 4 as to the absence of the document referred to by Mr. Gregory in his Note of October 24 fully disproves the accusation made by him. My Government cherishes the belief that the British Government will in future be more circumspect in its accusations and that it will examine more carefully facts on which it bases official communications. If, however, the present Government wishes to ignore the statement made by the Cabinet committee on November 4 and reiterates the accusations based on a forged document, the Soviet Government on its part must insist on its offer of arbitration as the sole means to an unbiased settlement of this question. This offer was made in its Note of October 27 which, unfortunately, was "lost" on the change of Government in Great Britain, but the contents of which, according to Mr. Gregory's Note, are known to the present British Government. The British Government must be aware that the rejection of this offer of arbitration cannot but be considered by the public opinion of all countries as establishing that it is impossible for the British Government to substantiate and prove the accusations put forward during the election campaign.

Further, my Government regrets that in its Note of November 21 the British Government evaded a direct reply on the question of arbitration on the concrete point at issue concerning the "Zinoviev letter," and that it thought fit to pass on to general accusations against the Soviet Government in connection with the activities of the Communist International. As regards these accusations I am instructed by my Government to reiterate the declarations repeatedly made as to the complete political and administrative independence of the Communist International from the government of the Union of Soviet Socialist Republics. My Government has never undertaken, and cannot undertake, to refuse the right of asylum to the Communist International or to any other working class organization, still less can it undertake to exercise pressure upon them.

My Government considers any further discussion of attacks on international workers' organizations as useless and fruitless, and has requested me to declare that it has loyally carried out, and will in future carry out, on the principle of reciprocity the obligations which it has undertaken.

(Signed) C. RAKOVSKY.

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Land and Sea Transport

ACCORDING to figures of the People's Commissariat for Transport, the total number of pood-versts covered by the railroads in 1923-24 was 43.9 per cent of the 1913 figure, the corresponding figure for 1921-22 being only 24 per cent. The average daily run of a passenger engine is about 115 versts. The average daily run of a freight engine was 97 per cent of that of 1913 and has a tendency to increase.

The number of engines in 1923-24 was 41 per cent of the 1913 number, being in actual figures 5,760, as against 5,534 in 1921-22.

The number of freight cars is continually increasing—in 1923-24 there were 74 per cent of the total number of cars in 1913; of passenger cars only 34 per cent are available.

There is a decrease in the number of men employed on the lines, the present number being 69 per cent of the number employed in 1913. The expenditure of fuel per 100 engine-versts is 115 per cent of the 1913 figure, the quality of the fuel showing a deterioration of 10 per cent.

The improvements achieved in the working of the railroads during the last two years are due to the increased freight traffic, as well as to the improved conditions of labor and the introduction of a number of measures for the improvement of the technical side of the service.

The program for 1924-25 calls for 316,000 cars and 7,000 engines; the results already attained give reason to believe that this program will be carried out in full.

Direct Express Train from Paris to Vladivostok

Direct express train service between Paris and Vladivostok is being arranged by the People's Commissariat for Transport. The train will pass through Liege, Berlin, Riga and Moscow, and will run once a week. The routing of this train from Riga to Paris will be taken up at the forthcoming conference on European passenger train service which will be held in Naples.

Building of New Freight and Passenger Boats

A conference of the enlarged managing board of the State Merchant Fleet and of the Leningrad Shipping Trust took place on October 31, when final plans were formulated for the construction of four steamers for the transportation of timber from Archangel to England, each boat of a capacity of 1,050 standards of timber, and of two freight-and-passenger steamers for perishable freight for the rapid transport line between Leningrad and London.

The construction of the boats will be carried out entirely in the Baltic and Putilov shipyards.

Next in line for construction are two freight-passenger steamers for the Crimea-Caucasus line, to be built by Southern shipyards.

Miscellaneous News

Discontinuance of Currency Issues for the Budget

The following resolution was adopted at the Second Session of the Central Executive Committee of the Union of Soviet Socialist Republics:

The currency reform which was carried out by the Soviet Government in the course of 1924 has created a sound basis for the rehabilitation of the national economy of the Soviet Union, and represents an achievement of Soviet economic policy to the further strengthening of which all the necessary measures should be taken.

One of the further measures in this direction is the abandoning of the method of Treasury issues of paper money for the purpose of covering budget expenditures.

Setting out from this point of view and taking into consideration the fact that the execution of the budget for 1924-25 has been secured without resorting to the issue of paper money for the covering of the deficit, the Second Session of the Central Executive Committee of the Union of Soviet Socialist Republics resolves:

To endorse the measures by virtue of which the Treasury issues of paper money for covering the budget deficits were discontinued from July 1, 1924, and to decide that in the future Treasury issues of paper money should not be resorted to for the purpose of covering budget deficits.

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

The membership of trade unions in the Soviet Union according to figures published by the Sixth Conference of Trade Unions of the U. S. S. R. held recently in Moscow, was 6,036,000 on July 1, 1924.

The past year witnessed an increase in the membership of 35 per cent. The union membership includes 61 per cent workers, 39 per cent office employees. Ninety-two per cent of the membership are men, 8 per cent women. Altogether 92 per cent of the total number of workers and employees who are occupied in enterprises and institutions are organized in trade unions.

The financial situation of the trade unions at the present time is quite good, only two unions showing deficits—agricultural and lumber workers, as well as art workers.

Wages for the last two years show an uninterrupted upward movement. The following figures show the average wages throughout the U. S. S. R. as compared with the pre-war scale of wages (in percentages):

	<i>Per cent</i>
1st quarter of 1922-23	42
2nd " "	51
4th " "	52
1st " 1923-24	59
2nd " "	67
4th " "	72.5

In general, the wages in the heavy industries (coal, ores, metal) and in transportation are now

50 to 55 per cent of the pre-war scale, and in the light industries 80 to 90 per cent.

The regulating of wages is done by the trade unions by means of establishing standard wage scales and by concluding general agreements.

Moscow Trade Figures

At the end of the fiscal year, 1923-24, there were in Moscow 23,056 business establishments, of which 3,449 (15 per cent) were State enterprises, 1,173 (5 per cent) cooperatives and 18,436 (80 per cent) private enterprises.

The total number shows a considerable increase over the previous year's 14,589 establishments. The number of private enterprises was reduced from 93 to 80 per cent, the number of State institutions increased from 4 to 15 per cent, and the cooperatives increased from 3 to 5 per cent.

The volume of wholesale trade transacted on the trade exchange amounted to 1,500,000,000 gold rubles, which is 62 per cent more than during the previous year.

A Russian Technical Magazine in the U. S.

"Amerikanskaya Tekhnika" (American Engineering) is the title of a new Russian magazine founded recently in New York. Its purpose is to acquaint the Russian public with the achievements of American industry.

FINANCIAL STATEMENT

of the
Issue Department
of the

SOVIET STATE BANK

On December 1, 1924

<i>Assets</i>	<i>Chervontzy</i>
Gold (coin and bullion)	13,139,938
Platinum (bullion)	1,298,444
Foreign Bank Notes (at rate of £=0.82 cherv. and \$1=0.194 cherv.)	10,138,495
Drafts in Foreign Currency for the total amount of 400,484.6 cherv., less regular discount ...	360,436
Discounted bills in chervontzy 27,802,496 less regular discount	25,022,246
Securities covering advances on goods 10,694,535 less regular discount	8,727,091
Total	58,686,650
<i>Liabilities</i>	<i>Chervontzy</i>
Notes transferred to State Bank	57,718,950
Balance to which notes may still be issued ...	967,700
Total	58,686,650

58,686,650 chervontzy equal 586,866,500 gold rubles.

RUSSIAN REVIEW

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New Income Tax of the U. S. S. R.

Situation of Agriculture in the Soviet Union

The Moscow People's Bank

Activities of the Moscow Soviet in 1923-24

Soviet Post and Telegraph System

Foreign Relations of the U. S. S. R.

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New Income Tax Law of the U. S. S. R.

BY a decision adopted on October 29, 1924, the Central Executive Committee of the Union of Soviet Socialist Republics abrogated the decree on the Federal Income and Property Tax ratified by the Central Executive Committee of the Union of Soviet Socialist Republics on November 12, 1923 (*Vestnik* of the Central Executive Committee, the Council of People's Commissars and the Council of Labor and Defense, No. 11, Art. 317), and confirmed the new decree on the Federal Income Tax which is to be effective from October 1, 1924.

Text of the Decree on the Federal Income Tax

1. With the exceptions indicated in Art. 2, the federal income tax applies to: (a) all persons with independent incomes residing on the territory of the Union of Soviet Socialist Republics; (b) corporations (juridical persons) (Art. 3, par. "d") whose managing boards are located on the territory of the Union of Soviet Socialist Republics; (c) agencies of foreign firms authorized to operate on the territory of the Union of Soviet Socialist Republics.

Note—Exemptions to the assessment of the tax on foreign firms authorized to operate on the territory of the Union of Soviet Socialist Republics are allowed only on a basis of reciprocity.

2. The tax does not apply to (a) persons deriving their incomes from occupations in agricultural industries subject to the single agricultural tax; (b) repair and construction workers, day-laborers and other unskilled workers with temporary employment and undetermined monthly earnings; (c) workers and clerks in various institutions and enterprises, when the total wages received by the said persons amount to less than 75 gold rubles a month and when they have no other sources of income; (d) State pensioners living on a pension received from the Treasury in the amount of less than 100 gold rubles a month and possessing no other sources of income; (e) soldiers and militiamen; (f) students at State and equivalent institutions; (g) invalids incapable of work supported by the organs of social welfare and by the organs of social insurance or by private individuals and organizations; (h) women taking care of children below 14 years of age or of other incapacitated members of the family, provided such women support themselves and their families independently without outside help; (i) unemployed persons registered at the labor exchange, with the right to relief in the

form of social insurance and with no other sources of income; (j) wives and members of the families of tax-payers or of tax-exempt persons without independent incomes, and, in general, individuals living at the expense of others and having no means of subsistence of their own; (k) representatives of foreign governments on a basis of reciprocity; (l) State and cooperative enterprises and mixed companies subject to an income tax on the basis of the decree of June 20, 1923 (Collected Statutes of the R.S.F.S.R., 1923, No. 61, Art. 573), with subsequent supplements and changes; (m) agricultural credit institutions of every rank; (n) housing associations; (o) workers' house-constructing cooperatives.

Note 1—The exemptions listed in paragraphs "a," "e," "f," and "h" do not extend to persons belonging to groups 3—6 of Article 6 and to category "C" (Art. 7).

Note 2—The exemption provided in paragraph "a" of Art. 2 also extends to those peasants who concurrently with farming are occupied with agricultural industries, except trading, which have only a subsidiary significance in their farm.

3. All persons subject to the tax are divided into the following categories:

(A) Persons deriving their incomes from the hiring out of their personal labor, and State pensioners.

(B) Persons deriving their incomes from their personal labor but not by hiring it out.

(C) Persons deriving their incomes from the ownership of industrial and trading enterprises, buildings, capital, from the leasing out of property, and from other sources of income not entailing their own labor.

(D) Corporate bodies (juridical persons): joint-stock companies and credit institutions, and also unlimited and limited liability companies.

4. Under category "A" (Art. 3) belong workers and clerks in institutions, enterprises and farms, day laborers, repair and construction and similar workers, and State pensioners.

5. Persons named in Art. 4 pay the tax in the following proportion: (a) persons receiving not over 100 gold rubles a month—3 rubles 60 kopeks; (b) persons receiving more than 100 but not over 150 rubles—7 rubles 20 kopeks; (c) persons receiving over 150 rubles a month—15 rubles semi-annually. In addition, these persons are subject to an assessment on their aggregate income as specified in the 13th and subsequent Articles. The tax is collected in equal monthly parts from persons belonging to category "A".

6. To category "B" (Art. 3) belong the following groups of taxpayers ;(1) artisans and home-craft workers owning no shops subject to the trade tax, peddling tradesmen working in connection with State and cooperative enterprises; (2) citizens engaged—without hired labor—in small trades, including carting; (3) citizens personally performing, on orders and commission, work requiring special technical knowledge or skill, such as, dental mechanics, draftsmen, persons drawing up plans, estimates, etc.; (4) citizens individually occupied, without keeping offices or clerks, in the execution of private commissions for pay (brokers, commercial agents), and also brokers on stock and commodity exchanges, district inspectors and agents for credit and insurance institutions, and commercial travelers (traveling salesmen selling from samples); (5) persons engaged in the liberal professions: independent practising physicians, dentists, veterinarians, civil engineers, architects, etc., as also ministers of religious cults; (6) all others persons deriving their incomes from their personal labor and not belonging to category "A".

7. The persons belonging to category "C" are divided into the following groups: (1) Owners of trading and industrial enterprises of class I; (2) owners and co-owners of trading and industrial enterprises of class II; (3) owners and co-owners of trading enterprises of class III and of industrial enterprises of classes III and IV; (4) owners and co-owners of trading enterprises of class IV and of industrial enterprises of classes V, VI, and VII; (5) persons engaged in commission, brokerage and forwarding operations without maintaining offices, except brokers connected with stock and commodity exchanges (par. 4 of Art. 6); (6) owners and co-owners of trading enterprises of class V and of industrial enterprises of classes VIII to XII; (7) owners of buildings in cities and also of leased buildings outside of cities; (8) persons deriving their incomes by renting out properties in cities for purposes of commercial exploitation; (9) persons living on income from interest-bearing and dividend-paying securities and from interest on deposits; (10) persons occupied with credit and similar operations; (11) all other citizens deriving their incomes from the owning of property, from activities as owners of enterprises and other sources of income not involving their personal labor and not covered in the foregoing clauses.

Note—Workers and clerks owning houses are not taxed under group VII if they do not use them for renting out entire apartments or business premises.

8. The extent of the assessment rates for taxpayers under categories "B" and "C" together with a distribution of taxpayers according to groups and zones of the localities wherein they reside, is specified in the attached schedules (Appendix No. 1 for category "B" and Appendix

No. 2 for category "C"). The distribution of the localities according to zones is determined by the People's Commissariat for Finances of the Union of Soviet Socialist Republics.

9. Taxpayers subject to assessment with the income tax under several groups are taxed according to the highest one.

Note 1—Persons with auxiliary earnings from literary work are assessed with the basic tax only according to their principal profession or their chief source of income.

Note 2—Workers and clerks with auxiliary earnings from any liberal profession are assessed with the basic tax only according to Art. 5.

10. Such of the persons mentioned in Arts. 4, 6 and 7 as have semi-annual income in excess of the amount indicated in Art. 15, must submit a statement of their income, and according to its amount they are subject to an assessment in conformity with the 13th and succeeding Articles.

11. The basic tax, paid in accordance with Arts. 5 and 8, is credited against the payment of assessments calculated in conformity with Art. 10.

12. The corporate bodies (juridical persons) named in Art. 3 (category "D") pay the income tax on the annual amount of their incomes, if such amount for the expired fiscal year has surpassed by not less than twice the minimum indicated in Art. 15.

13. Taxation on aggregate income is applied to those taxpayers who during the six months preceding the assessed period have received an income above the extent indicated in Art. 15 from one or several of the sources below listed, namely: (a) from participation in trading or industrial enterprises in the capacity of owners or lessees and in general from any engagement in trading, contracting, supplying, commission, brokerage, forwarding, exchange or other like operations; (b) from the ownership of buildings within cities and from the leasing out of buildings outside of cities and from the renting out of buildings and property for purposes of commercial exploitation; (c) from money capital and interest-bearing and dividend-paying securities; (d) from personal labor not hired out (Art. 6); (e) from remuneration for work or service in various institutions and enterprises of all kinds and likewise from pension grants received from the Treasury (Art. 4); (f) from all other sources of income, excepting agricultural occupations subject to the single agricultural tax.

14. By income in the sense of Art. 13, of the present decree is understood, (a) in the case of natural persons—the sum of receipts in money or in kind which, after covering the necessary expenses connected with the derivation of the income from the given source, without including therein salaries deducted by the owner for himself and members of his family, can be utilized by the recipient for the satisfaction of his personal needs or converted into property, capital, saving, or for the expansion of the enterprises;

(b) in the case of corporate bodies (juridical persons)—their net annual profit, computed in conformity with the regulations laid down by Peoples Commissariat for Finances of the Union of Soviet Socialist Republics (Art. 24).

15. Taxation according to Art. 13 is assessed on the aggregate income received by each taxpayer during the foregoing half year from all the sources mentioned in Art. 13, if this income total exceeds; for Moscow and Leningrad—500 gold rubles, for cities in the first zone—450 gold rubles, for cities in the second zone—400 gold rubles, for cities in the third zone—350 gold rubles, for other localities—300 rubles, and for taxpayers in category "A" (Art. 4)—the sum named plus 900 gold rubles.

Note 1—In figuring tax assessments there is to be deducted from the aggregate income the monetary remuneration for services or hired labor, as well as the pension received from the treasury, but not in excess of 900 rubles for half a year.

Note 2—In determining the amount of taxable income for persons who are members of companies and partnerships, covered by paragraph "D" of Art. 3, income received by such persons from participation in companies and partnerships is not included.

16. Taxpayers are divided into classes according to the extent of their aggregate income in conformity with the appended schedule of classes and class tax rates (Appendix No. 3). The annual rate of the tax assessed on corporate bodies (juridical persons), mentioned in paragraph "D" of Art. 3, is computed at double the semi-annual rate corresponding to half of their annual income according to the attached schedule.

17. Taxpayers receiving an income above the limit indicated in Art. 15 must present to the local district income tax commission (Art. 23), within the period designated by the People's Commissariat for Finances and in the manner prescribed by it, an accurate statement of the amount of income received by them during the elapsed half year. For non-submittal of a declaration, for its tardy submittal or for the presentation of incomplete returns to the organs of the People's Commissariat for Finances a fine may be imposed, at the decision of the provincial or district and corresponding tax commissions, in an amount not exceeding two hundred rubles, and at the same time persons submitting no statements at all or submitting them after the expiration of the designated term, are deprived of the right to protest against the rate of income tax assessed upon them by the tax commission. The presentation of statements containing knowingly false information is punished under the appropriate articles of the penal codes of the individual constituent Republics.

Note—The statements of workers and clerks (Art. 4) must be submitted to the tax commission by the institutions or enterprises in which these taxpayers are employed.

18. House proprietors and managers, owners and lessees of furnished rooms and hotels failing to submit to the financial inspector, within the period prescribed, lists of all citizens living in the premises, furnished rooms and hotels, as also those making tardy submittal of these lists or putting incomplete data into them, are subject to a fine amounting up to two hundred gold rubles, imposed by the proper financial department, and they are subject to penal responsibility for the presentation of knowingly false information.

In the same manner are answerable for delinquencies the managements of cooperative and credit organizations, private companies and partnerships which are obliged to submit to the financial departments and financial inspectors various information as well as lists in conformity with the instructions confirmed by the People's Commissariat for Finances of the Union of S. S. R.

The managers of private and cooperative enterprises, in the event of their non-retention of income taxes due from workers and clerks (Note to Art. 22), non-remittance or tardy remittance of retained taxes to the treasury of the People's Commissariat for Finances, non-submittal or tardy submittal of statements (Note to Art. 17), become liable, at the decision of the proper financial departments, to a fine of not more than two hundred gold rubles and are in addition bound to restore all losses to the Treasury.

For infractions of the requirements above mentioned functionaries in State institutions and enterprises are subject to disciplinary and in appropriate cases to penal liability.

19. In supplementation of their statements (Art. 17) taxpayers are obliged, upon request of the tax commissions, to furnish oral and written explanations and documentary data (business and office books, etc.). Apart from these details, the commissions are guided by information in their possession regarding the taxpayer's income.

20. The tax is paid semi-annually, the first half-year being reckoned from October 1 to March 31, and the second from April 1 to September 30, inclusive. The corporate bodies (juridical persons) mentioned in paragraph "D" of Art. 3 pay the tax by annual assessments during the half-year following the close of their fiscal year. The terms of the tax payment are established by the People's Commissariat for Finances of the Union of S. S. R.

21. The general administration of income tax collection in the localities is entrusted to the provincial and corresponding financial divisions.

22. The immediate measures for the assessment of the tax are entrusted to the financial inspectors with the participation of the proper tax commission and with the assistance of the financial agents. The supervision of tax collection, bookkeeping and accounting for the income

tax is entrusted to the district and corresponding financial divisions.

Note—The tax on workers, clerks and State pensioners (Art. 4) is withheld from remunerations or pensions given to them by those institutions and enterprises which pay these remunerations and pensions.

23. The composition of the tax commissions, their jurisdiction and the method of protesting against their decisions are determined by a special law.

24. The detailed regulations for the application of the present decree are established by the instructions of the People's Commissariat for Finances of the Union of Soviet Socialist Republics, these instructions being drawn up with the cooperation of the People's Commissariat for Workers' and Peasants' Inspection of the Union of S. S. R.

APPENDIX No. 1

Schedule of semi-annual assessments on persons deriving their income from their personal labor but not by hiring it out (in gold rubles).

Category B

Groups of taxpayers	In the cities of Moscow and Leningrad	In other localities			
		1st Zone	2nd Zone	3rd Zone	4th Zone
I.....	6.00	5.00	4.30	3.70	3.00
II.....	7.20	6.30	5.40	4.50	3.60
III.....	12.60	10.80	9.00	7.20	5.40
IV.....	21.00	18.00	15.00	12.00	9.00
V.....	13.00	11.00	9.20	7.40	5.60
VI.....	8.20	7.20	6.20	5.20	4.20

APPENDIX No. 2

Schedule of semi-annual assessments on persons deriving their income from the ownership of industrial and commercial establishments, buildings, capital and other sources of income not involving their personal labor (in gold rubles).

Category C

Groups of taxpayers	In the cities of Moscow and Leningrad	In other localities			
		1st Zone	2nd Zone	3rd Zone	4th Zone
I.....	10.40	9.00	7.70	6.50	5.20
II.....	17.00	14.80	12.70	10.60	8.50
III.....	34.00	30.00	26.00	21.00	17.00
IV.....	84.00	74.00	63.00	53.00	42.00
V.....	52.00	45.00	39.00	32.00	26.00
VI.....	136.00	119.00	102.00	85.00	68.00
VII.....	9.00	7.80	6.60	5.50	4.50
VIII.....	12.00	10.50	9.00	7.50	6.00
IX.....	20.50	18.00	15.50	13.00	10.50
X.....	137.00	120.00	103.00	86.00	69.00
XI.....	12.50	11.00	9.50	8.00	6.50

APPENDIX No. 3

Schedule of categories and semi-annual rates of taxation according to the aggregate income.

Categories	Aggregate amount of semi-annual taxable income	Extent of tax
1.....	up to 500 rubles inclusive	10 rubles
2.....	over 500 up to 600 rubles	16 "
3.....	" 600 " 800 "	24 "
4.....	" 800 " 1,000 "	36 "
5.....	" 1,000 " 1,200 "	53 "
6.....	" 1,200 " 1,600 "	81 "
7.....	" 1,600 " 2,000 "	121 "
8.....	" 2,000 " 2,500 "	176 "
9.....	" 2,500 " 3,000 "	245 "
10.....	" 3,000 " 3,500 "	323 "
11.....	" 3,500 " 4,000 "	410 "
12.....	" 4,000 " 4,500 "	506 "
13.....	" 4,500 " 5,000 "	612 "
14.....	" 5,000 " 6,000 "	787 "
15.....	" 6,000 " 7,000 "	1,044 "
16.....	" 7,000 " 8,000 "	1,327 "
17.....	" 8,000 " — "	1,500 "

An additional tax of 300 rubles per each 1,000 rubles above the amount of 8,000 rubles.

FINANCIAL STATEMENT

of the

Issue Department

of the

SOVIET STATE BANK

On December 16, 1924

Assets	Chervontzy
Gold (coin and bullion).....	13,630,120
Platinum (bullion).....	1,298,444
Foreign Bank Notes (at rate of £=0.82 cherv. and \$1=0.194 cherv.).....	9,741,762
Drafts in Foreign Currency for the total amount of 395,076.8 cherv., less regular discount...	355,569
Discounted bills in chervontzy 28,487,530 less regular discount.....	25,638,777
Securities covering advances on goods 11,006,414.6 less regular discount.....	8,721,978
Total.....	59,386,650
Liabilities	
Notes transferred to State Bank.....	57,338,870
Balance to which notes may still be issued.....	2,047,780
Total.....	59,386,650

59,386,650 chervontzy equal 593,866,500 gold rubles.

Activities of the Moscow Soviet in 1923-24

THE Moscow Soviet has issued a report concerning its activities for the period beginning October 1, 1923, and ending October 1, 1924. These activities have yielded quite remarkable results, particularly in the rehabilitation of industry. While in 1922 it had been possible to halt the further disintegration of the economic life in the Province of Moscow, and in 1923 to begin introducing some improvements, the year 1923-24 is characterized by a consolidation of the results previously obtained, as well as by the laying of the foundations for a further and more rapid development of the economic life of the province.

Budget

The preliminary budget of the Moscow Soviet for the year 1923-24 was approved as covering receipts amounting to 98,614,960 gold rubles, and expenditures amounting to 107,804,590 gold rubles. The proposed budget thus showed a deficit amounting to somewhat more than 9,000,000 gold rubles. However, as a result of energetic work, the actual tax returns and receipts from sources other than taxes, have exceeded the original figures of the budget estimate, with the result that the budget of the year was actually completed not only without a deficit, but even with a balance of more than 2,000,000 gold rubles. In the fiscal year 1924-25 (October 1, 1924, to October 1, 1925) the Moscow Soviet proposes to get along in accordance with its budget, which provides for 137,000,000 gold rubles for the whole province. This is the first budget that has been outlined without a deficit.

The most important elements in the receipts are the trading tax and the income and property tax.

Industry and Trade

The industry of Moscow and of the Province of Moscow has advanced considerably. While the value of the products of the industries of Moscow, which constitute one-fifth of the industry of the entire U.S.S.R., amounted in 1922-23 to only 37 per cent of the value in 1913, it already amounted in 1923-24 to 48 per cent of the pre-war value of products (1913), in other words, it had risen to almost one-half of the pre-war value, the State industries accounting for 93 per cent of this amount, while the share of the cooperative and private industries was only 7 per cent.

On April 1, 1924, the industries of Moscow employed 271,158 workers. The overwhelming majority of the workers is engaged in State and cooperative enterprises. Private industry employs only 1.3 per cent of the workers engaged in industry.

In 1923 there were 14,589 trading units in Moscow. Of these, 7 per cent fell to the share

of the State and cooperative institutions, while 93 per cent fell to the share of private establishments. At the end of the fiscal year 1923-24, the number of State and cooperative trade units had risen to 20 per cent of the total.

In the wholesale trade private capital is gradually being crowded out, both in sales as well as in purchases, being substituted in the former case by the State establishments and in the latter case by cooperative organizations. The turnover of the Moscow Union of Consumers' Societies was calculated for 1923 at 38,000,000 gold rubles, while for 1924 it will surely be more than 80,000,000 gold rubles. This shows, in the first place, that the trading enterprises during the fiscal period accounted for have been changing in the sense that the State and cooperative trading enterprises are increasing; and, in the second place, that the trade turnover at Moscow is constantly increasing, and, in the third place, the share of the private enterprises in the turnover of goods in Moscow is considerably decreasing.

In the course of the year, the Moscow Municipal Bank advanced to industry 212,000,000 gold rubles out of which 182,000,000 gold rubles have been repaid. During the fiscal year which has just expired the industry and commerce of Moscow have been furnished with credit by this bank to the extent of two and one-half times as much as in the preceding year.

Cooperatives

The importance of the consumers' cooperatives has increased very much. On September 1, 1924, the Moscow cooperative organizations included in their ranks 244,000 workers and office employees in Moscow and 182,000 workers and 94,000 peasants in the country districts; in all, 520,000 persons. The Moscow consumers' cooperatives have 1,719 retail enterprises of various kinds.

Agriculture

The condition of agriculture in the province may be characterized by the following figures: In 1923 there was an increase of 15 per cent in the area sown as compared with the pre-war area; in 1924 there was an increase, to judge by the preliminary figures, of 10 per cent as compared with the preceding year. There was a considerable increase in the number of working horses and colts (6 per cent for the year). The percentage of horseless farms has been gradually going down since 1919, while the percentage of farms with many horses is also gradually going down. The number of big-horned cattle reached in 1923 one-half of the pre-war figure. The number of cows in 1924, on the basis of preliminary figures, has increased approximately by 16

per cent. The group of cowless farms, as well as of those having many cows, has been considerably decreased, and the number of farms with one or two cows has increased. The number of plows has increased 50 per cent as compared with 1920. It may be said that the plow is gradually replacing the primitive hook-plow. The measures taken by the Soviet Government in the agricultural field have yielded the following results: There are now organized classes on agricultural subjects, agricultural courts, etc.; land amelioration and reclaiming has been extended; the delivery of seeds to the population is based on the obligation to introduce rotation of crops, both for cash, as well as in three-year terms of payment, which has made it possible to deliver seeds even to the least prosperous farmers. At the present moment the multiple crop rotation has been introduced in more than one-third of the villages of the province. And if to this number are added almost 2,000 more settlements that are ready to adopt the multiple crop rotation system, but do not so because of the lack of clover seed in the Republic, it may be declared that within the next year or two triple crop rotation will be found in less than one-half of the villages of the province.

The agricultural population shows great interest in tractors. Agricultural machines have been delivered during the past year almost exclusively on long-term credit; agricultural implements have been delivered both on credit as well as on cash payment, while, finally, other articles required in agricultural economy have been delivered almost entirely for cash, the sales of these articles having been made at prices equivalent to the pre-war prices.

As for the forests, 500,000 dessiatines of forests of local significance have been set aside to be used by the agricultural population of the province. During the past year the Soviet farms were inspected and those working at a deficit were liquidated. As a result of the inspection, more than 20,000 dessiatines were declared to be a free agricultural reserve, and handed over to the peasantry.

The single agricultural tax was fixed at 5,000,000 gold rubles for the year 1924, a slight increase over the preceding year. This tax does not appear to be burdensome for the peasantry, since the profits on agriculture in 1924 have gone up 40 per cent, while the tax has been increased only 25 per cent.

The number of peasants taking part in the Agricultural Credit Cooperatives has increased during the year to almost three times the former number, but it still includes only 20 per cent of the entire peasant population. The aid given by the Peasant Committees for Mutual Aid to peasants who had suffered by fire amounted to 50,000 gold rubles in cash, and 16,000 poods in kind.

In addition to this, each sufferer from fire received wood gratis, at the request of the committees, and also help in the form of labor.

Home Industries

The development of home industries in the province is also worthy of attention. On the basis of data obtained in the autumn census of 1923, there were 16,750 owners of farms, i.e., about 5 per cent of the total number, or 34,700 persons, i.e., about 2 per cent of the entire population, who were engaged in various home industries, while according to the census of 1900, about 6.6 per cent of the population were engaged in home industries. In other words, the number of persons engaged in home industries has gone down to less than one-third their former number.

Municipal Economy

The activity of the Moscow Soviet in the year 1924 in the field of municipal economy was chiefly concerned with improving the workers' sections, extending the water supply system, building sewers, drainage operations, the establishment of parks, and the further rehabilitation of the various departments of the city's activities (tramway system, water supply, sewerage).

The number of trolley cars has decreased by 22 per cent as compared with the number before the war, but, on the other hand, the number of passengers carried has increased by 9 per cent as compared with the pre-war period. The income of the trolley car system is gradually approaching the pre-war figure.

The consumption of water per individual inhabitant is about the same as in the time preceding the war. The water supply system is constantly growing. In this connection it should not be forgotten that important new water mains were laid in the outskirts of the city (in 1924, 11½ versts of pipes were added to the system).

Moscow has been freed from garbage and dirt and has become cleaner than it was before the war. Seven new squares and two boulevards have been laid out in quarters in which the workers live.

Considerable work has been done in restoring the road system of the province.

The works connected with the improvement of the various quarters of the city were conducted to a great extent with the aid of the unemployed.

The wages of workers in the various occupations have approached and in some cases even surpassed the pre-war figures, even when expressed in the pre-war purchasing power of the gold rouble. This is true of the textile workers, chemical workers, food workers, tobacco workers, leather workers, garment workers and workers in the printing trades.

During the past year there was an increase in the delivery of goods to workers on credit. Altogether, 170,000 persons took advantage of the credits allowed to workers, to the total sum of 13,200,000 gold rubles. At present the Labor Exchange has about 50,000 unemployed workers to supply with work, who are as far as possible being employed in public works. Altogether, about 1,200,000 gold rubles were paid in wages during the entire year on public works.

In the pre-revolutionary period, only the central districts of Moscow were supplied with electric light. At present, of the 29,000 buildings in Moscow, only about 12,000 i.e., somewhat less than half the number, have not yet been supplied with electric light.

Housing

The housing question is still a burning one. The only solution for it is in energetically pushing the building of new edifices and in maintaining the existing buildings in good repair. During the current year, the Moscow Soviet spent 3,000,000 gold rubles in building operations for the workers. For this money, thirty structures were completed or restored, and at present eleven houses have been begun, which has made it possible to install 2,250 persons in these dwellings.

Altogether, dwelling space was provided in 1924 for about 20,000 more persons, if the activity of the Moscow Soviet, of the Moscow Company for the Construction of Workers' Houses, and of various trusts and private persons are included.

Public Education

In the field of public instruction the following results have been attained. The number of persons attending school in Moscow in 1924 shows an increase of 20 per cent, and in the Province of almost 12 per cent. The number of persons attending vocational and technical schools has increased in all branches of vocational instruction from 34,000 to 48,000. The number of children in kindergartens has somewhat increased during the year. Altogether, at the end of the school year there were in Moscow and in the surrounding districts 455 children's houses with 26,000 occupants.

An increase of 100 per cent in the number of visitors of libraries, as compared with the past year, must also be pointed out, although the number of libraries has not increased.

Furthermore, a great increase has also been noted in the number of book cottages organized by agricultural societies.

Public Health

The condition of the province as far as epidemics are concerned may be described as follows: typhus has completely disappeared; intestinal infections have not spread, but scarlet fever,

which began to increase in August, shows the rather large figure of 11,370 cases. The medical facilities in the province do not completely satisfy the demands of the population for medical aid, but they are nevertheless better than in the pre-war period. In 1914 there was one hospital bed for each 671 inhabitants. In the year just ended there was one hospital bed for each 321 inhabitants.

Altogether there are 180 judges in Moscow and the provinces, 101 of whom are workers, 36 peasants, 14 office employees, and 39 intellectuals. Of the entire number of 7,026 associates of the peoples' courts in Moscow, 6,013 were workers and peasants, and 1,013 office employees.

The favorable results of the activity of the militia (police force) and the criminal investigation service must also not be forgotten.

In the past year, the Moscow Soviet had 13 meetings of all its members. Questions to be submitted to these plenary meetings were first considered in the sessions of all the commissions of the district Soviets and of the Moscow Soviet. The central and plenary commissions met not less than ten times in each commission. Altogether, 5,500 workers took part in the work of the Moscow Soviet in the past year.

Moscow People's Bank, Limited

ON ARRIVING in Moscow Mr. N. Gavrilov, Chairman of the Board of Directors of the Moscow People's Bank Limited in London, gave the following details to a contributor to the "Economic Life" concerning the financing of export and import operations abroad and the work of the bank:

Notwithstanding a number of difficulties, declared Mr. Gavrilov, the Soviet Union's cooperative organizations are steadily increasing their turnovers abroad. Slowly but surely the credits at their disposal are growing; the credit terms granted to them are also improving, and new paths are being blazed for the attraction of foreign funds to the Russian cooperative organizations. The increase of credits and the improvement of credit terms are bound up primarily with the amelioration of business management in cooperative exports.

The Moscow People's Bank Limited, which, as is well known, constitutes the fundamental credit center for the export and import activities of the Soviet Union's cooperative movement, possesses the greatest importance in the matter of financing cooperative import and export operations, in locating new credit sources, and in supporting and assisting the cooperative centers to obtain credits. It is true that the principal work of the Moscow National Bank is connected with the financing of import and export transactions with England, but latterly the bank has quite

actively begun to finance export and import operations connected with France and Germany.

The following figures testify to the growth of the Moscow People's Bank: On July 1, 1924, the bank's total resources amounted to £1,441,238 (about 13,000,000 gold rubles), and on October 1, 1924, this figure had already increased to £2,006,283 (18,000,000 gold rubles). Thus, in three months the total resources had risen by 39 per cent, which under the circumstances of its foreign work represents an extremely rapid growth. The bank's turnover for the first ten months of 1924 totaled over £55,000,000 (about 500,000,000 gold rubles), the turnover for the last four months of this period having been considerably greater than for the first six.

Most characteristic are the figures showing the increase of credits granted to the cooperatives during the first nine months of 1924. During this time the Moscow People's Bank extended to the cooperative movement credits in all forms amounting to £6,112,000.

On November 1, 1924, the indebtedness of the cooperatives to the Moscow People's Bank aggregated £1,511,000, i.e., about 14,000,000 gold rubles. The growth of the bank's discount and loan operations is extremely marked. If the amount of indebtedness on January 1, 1924, is taken as 1, the following figures will illustrate the increase of these operations: On January 1—1, during the first quarter—1.7, during the second—2.5, and during the third—4.2.

These figures indicate not only the speed, but also the intensity with which the bank's credit operations grew. It is important to observe that beginning with the second half of the year 1924 the Moscow People's Bank considerably enlarged its credit grants to organizations engaged in the purchasing and preparing of export goods in the Soviet Union. These operations first assumed substantial proportions in July, and by November the bank already had contracts for financing such transactions up to the sum of 9,000,000 gold rubles.

The fundamental sources of funds, which the Moscow People's Bank utilizes abroad, are credits on the repledging of goods with foreign banks, chiefly English, credits on bills of exchange, both with the endorsements of foreign firms and without them, the rediscounting of bills of lading, and, finally, credits granted against acceptances and guarantees of the Moscow National Bank.

Recently the cooperative organizations and the Moscow People's Bank have been developing their operations with France also, and some important French banks and firms are quite willingly coming forward half way in the matter of granting credits to the cooperative organizations and the Moscow People's Bank.

The Post and Telegraph System

AT A SESSION of the Council of People's Commissars held by the end of November a report was read by Mr. I. N. Smirnov, on the activities of the People's Commissariat for Posts and Telegraphs during the expired fiscal year. The contents of this report are briefly summarized below.

At the beginning of the elapsed year the condition of the country's postal and telegraph system still bore traces of the disorganization resulting from the previous epoch. The normal development and renewal of lines had already ceased in 1914. During the war years there was no normal repair of the telegraph net, so that it fell into a grievous state. It has been necessary to change up to 300,000 poles, repair 1,200,000 poods of antiquated telegraph wires, replace up to 315,000 poods of completely dilapidated wires, and restore the apparatus department.

All these unfavorable factors steadily enlarged the deficit of the People's Commissariat for Posts and Telegraphs; and by 1923 the necessity for immediate and widespread repair became urgent. The year 1923-24 was the first when a real program of reconstruction work was elaborated. At the foundation of this plan were placed the repair and refitting of almost all the constituent parts of the telegraph system, the chief attention and funds being devoted to the replacement of poles and old wires. Thus, out of a total estimate of 4,010,000 gold rubles for the repair and maintenance of the telegraph system, 3,000,000 rubles were designated for the repair of poles and wires. However, the reduction of the budget of the People's Commissariat for Posts and Telegraphs from 4,010,000 gold rubles for repair and maintenance down to 3,500,000 gold rubles had an extremely adverse effect on the execution of the proposed program.

Notwithstanding the financial difficulties, repairs in the pole department were carried out to the extent of 96 per cent, while general telegraph repairs were effected to the extent of 98 per cent.

As regards the telephone division, Mr. I. N. Smirnov pointed out that the total number of telephone stations had increased by 59 during the past fiscal year and had reached 1,349.

During the elapsed year important new construction work had been carried out in the long-distance telephone system: 714 kilometers of lines had been constructed, raising the magnitude of the long distance system by 12 to 13 per cent. At the present time long-distance telephone service has been established between Minsk and Moscow through Smolensk, branching to Vitebsk, and then between Gomel and Mogilev; and two lines, Khar'kov-Poltava-Kiev and Bakhmut-Rostov-on-the-

Don, with a length of 1,622,000 kilometers of wire, are being completed. Beside this, the replacement of expensive bronze wires with iron telegraph wires is proceeding on the Kaluga-Briansk, Voronezh-Kursk, Odessa-Kiev, and Nizhni Novgorod-Kazan lines. From this year on the People's Commissariat for Posts and Telegraphs proposes to develop the long-distance system in the direction of the Southeast, toward Voronezh and Rostov on the one hand, and Moscow-Tambov-Saratov on the other. In addition to this during the course of the fiscal year 1924-25 the People's Commissariat for Posts and Telegraphs plans to construct a number of other lines.

In conclusion Mr. I. N. Smirnov indicated the following as the tasks of the Commissariat for the new fiscal year: the extension and improve-

ment of the rural postal service, the reconstruction of the telegraph lines disrupted during the war, the renewal of apparatus, the development of radio construction and the establishment of radio service in the outlying regions, especially in Siberia, Turkestan and Kirghizia, the development of the long-distance telephone system, mainly in the direction extending from Rostov to Tiflis and Baku.

The Commissariat has set itself all these tasks within the limits of the revenue which will be at its disposal during the current fiscal year. According to provisional estimates the People's Commissariat for Posts and Telegraphs will receive 63,000,000 gold rubles during the new fiscal year as compared with 42,000,000 gold rubles during the expired year.

Situation of Agriculture in the Soviet Union

(Paper prepared by Mr. D. P. Pavlov, Agricultural Specialist of the Official Agency of the U.S.S.R. in Canada. Read before a meeting of the Eastern Ontario Branch of the Canadian Society of Technical Agriculturists, Ottawa, December 5, 1924.)

THE Union of Soviet Socialist Republics was developed from the territories of the old Russian Empire, with the exception of Finland, Esthonia, Latvia, Lithuania, and Poland, which have been declared independent republics. The area of the former Russian Empire was 19,155,000 square versts (8,417,118 square miles) with a population in 1915 of 182 millions. The territories of these five independent republics comprise 710,000 square versts (399,117 square miles) with a total population of 29,000,000. It follows, therefore, that the total area of the U.S.S.R. is 18,445,000 square versts (or 8,018,000 square miles). The total population of the Soviet Union, from the census of 1920, was 131 millions, of which the rural population made up 110 millions and the urban population 21 millions.

The territory of the Soviet Union, located on two continents, represents a little less than one-seventh of the total land surface of the globe. From West to East the Soviet Union is 6,000 miles long and from North to South 1,200 miles broad. It is evident that with such a large area the natural conditions of the U.S.S.R. are rich in variety, and to a great extent are similar to conditions in Canada over a large area.

The extreme northern portions of the territory of the U.S.S.R. are covered with tundra. Further south is a broad belt of rich coniferous forests, below which, in turn, is a belt of mixed forest land, and further south again is a belt of broad-leaved forest land.

To the south of these forests are located the grassy steppes, which include the famous black earth regions. Further south is a belt of sub-tropical vegetation, where the higher grades of

such sub-tropical plants as the grape-vine, cotton, tobacco, rice and tea are grown.

In general the climate of the U.S.S.R. may be described as continental. The principal characteristics are a cold winter and a hot summer, sudden changes in temperature after nightfall, and very little moisture. If we compare the mean temperatures of one of the central cities of the U.S.S.R., Orenburg (52° N. Lat. 55° E. Long.), located on the boundary between Europe and Asia, with the mean temperature in Winnipeg (50° N. Lat. 97° W. Long.), we obtain the following picture.

	Mean Temperature in January	Mean Temperature in July	Mean Variation of Temperature
Orenburg.....	2.8° F.	79.0° F.	81.8°
Winnipeg.....	3.5° F.	66.2° F.	69.7°

This is the temperature of one of the central cities, located far from the seacoast. In localities nearer the coasts, the same as in Canada, a milder climate is found, with a smaller variation of temperature, and in such regions as Turkestan, the climate is still more continental, with very high summer temperatures.

The average rainfall in the territories of the U.S.S.R. is not great, being about 17 to 18 inches per annum, and is distributed most unequally. In the Northwest the rainfall averages 20 to 24 inches, in the black earth regions 12 to 16 inches, and on the coasts of the Caspian Sea only from 8 to 10 inches per annum.

As regards the characteristics of the soil, there is also a very great variation. In the North are found swampy tundras, with an inconsiderable quantity of small oases suitable for cultivation. To the south of the tundras, the forest top-soil,

with a layer of quartz sand of various thicknesses, contains an average of 2 per cent of organic matter (humus). Further south are found the great forest soils, forming an intermediate bank to the black earth region. Beyond these is the black earth region, with a contents of organic matter which in some parts reaches 16 per cent. These are the richest soils in the U.S.S.R. Their area in the European territories of the Soviet Union is about 100,000,000 dessiatines (about 300,000,000 acres). There is also a great area of black earth in Asia (Western Siberia, Altai, and elsewhere), where the total area is almost as great as in the European territory. The regions to the south of the black earth regions present various characteristics; with the exception of the saline lands, they are all most suitable for agricultural production.

The duration of the period of vegetation for agricultural plants varies greatly for different regions of the Soviet Union. If we take as a basis for comparison such grains as barley and rye, the growth of which is possible with an average temperature of 45° F., then for various regions the number of days of vegetation per annum may be shown as follows:

	Days
Northern Region (Archangel).....	125
Temperate Region (Moscow).....	165
Blacksoil (Voronezh and Kiev).....	180-200
Southern Region (The Crimea and others).....	280-290

Consequently, in the Northern parts of the Soviet Union, near Archangel, the production of only such crops as rye, oats, barley and potatoes is possible, and then only of the early ripening varieties. The further south one goes, the more variations in production are found, until in the furthest south one finds such heat-loving plants as the grape-vine, rice, cotton, tea and others.

Of all the territory of the Soviet Union, totaling 18,445,000 square versts (8,018,000 square miles) about 40 per cent is covered with forests, about 20 per cent consists of unproductive lands (tundra, sands, etc.), and the balance of 40 per cent is suitable for immediate agricultural development. In addition, depending upon the growth of population and the development of agricultural methods, one-half of the forest lands can be converted to agricultural purposes. It follows, then, that 60 per cent of the total area of the U.S.S.R. may be made suitable for agricultural purposes, i.e. 1,150,000,000 dessiatines or 3,450,000,000 acres.

Before the Revolution of 1917-1918 the land in Russia was individually owned. In European Russia the land was owned as follows:

	Percentage
State owned.....	34.9
Large land owners.....	25.8
Peasant communal land.....	35.1
Personal Property of the Imperial Family, Church owned lands, etc.....	4.2

In Siberia about 150 million dessiatines (450 million acres) were allotted to peasants and Rus-

sian-European emigrants, and the remaining territories, with the exception of municipal lands and lands of the Imperial family, were the State fund, and these were the overwhelming majority.

From these figures it is evident that in European Russia only one-third of the land was in the hands of the peasants, and from this total there was only about 60 to 65 per cent suitable for agriculture. Consequently, notwithstanding the great area of Russia as a whole, the amount of land owned individually by the peasants, who formed 80 per cent of the total population, was comparatively very small, and this made it necessary for the peasants to lease land from the large landowners and from the State, paying enormous rents.

The Revolution caused a great change in the allotment of land, because the property of the State, and 96 to 97 per cent of all suitable agricultural lands were concentrated in the hands of the peasants as users. The other 3 to 4 per cent were retained by the State for the organization on these lands of State agricultural undertakings, experimental stations, seed and stock selection farms.

The Revolution also caused great changes in the peasantry's methods of using the land. Before the Revolution the vast majority of the peasants farmed the communal land allotment in widely separated holdings. After the reform of 1906 a small part of the peasants consolidated their separate holdings and also lived on them instead of living in the villages. The farming of widely separated allotments of communal land by one peasant was discontinued since the Revolution. Under the new land laws the peasant is given the choice of every method of using the land, including the consolidation of several separated holdings into one, two or more larger holdings, which enabled him to live on his holding instead of in the village. Various methods of collective farming (cooperative farms, communes, etc.) were also encouraged. The Government is supporting all the new methods, particularly favoring those which call for the greater development and intensification of farming methods. The introduction of new methods of land holding is proceeding on a large scale, and calls for a great expenditure of money by the State and by local authorities, and requires an army of surveyors. Steps are being taken to introduce into general use the best contemporary methods of land division and allotment, of which the best examples are found in North America and particularly Canada. During the past year, Professor Dagov was sent to Canada by the Government of the U.S.S.R. for the purpose of studying methods of geodetic surveying on the spot.

Such, in brief, are the general agricultural conditions of the U.S.S.R. During the seven years from 1914 to 1921 the country passed through very great historical events, which have had a

profound effect on agriculture. The disintegration of agriculture started a year after the commencement of the European war, when all men from 18 to 42 were called to the colors. The burden of tilling the land was laid principally on the women. By the beginning of 1917 the war had so far disorganized the farms that the first revolutionary outbreaks were in many cases connected with food shortages. After the withdrawal of Russia from the European war, the no less burdensome civil war began, with constant foreign intervention and blockage. During both wars, agriculture continued to fall off. Only after 1921, with the country's return to a peace-

time footing, did agriculture begin to be reestablished. This process is far from complete, but taking into consideration the rapid change for the better, one can say with certainty that the goal is not far off.

Grain Farming in the U.S.S.R.

Of the food grains, spring and winter rye, spring and winter wheat, oats, barley, buckwheat, millet and corn are widely cultivated in the U.S.S.R. The sown area, during the decade 1913-1922, under each crop was as follows in dessiatines (one dessiatine equalling 2.7 acres):

Crop	1913	1916	1920	1922	1923	1924
Rye (winter).....	22,902,000	20,485,000	16,304,000	16,574,000	20,069,000	20,150,000
Rye (spring).....	560,000	575,000	352,000	190,000	198,000	220,000
Wheat (winter).....	5,342,000	5,823,000	3,782,000	3,129,000	3,217,000	4,140,000
Wheat (spring).....	20,782,000	17,180,000	13,479,000	5,108,000	7,380,000	14,320,000
Oats.....	15,137,000	14,081,000	10,342,000	6,613,000	8,098,000	13,260,000
Barley.....	9,565,000	8,875,000	5,940,000	2,937,000	5,059,000	7,063,000
Buckwheat.....	1,751,000	1,823,000	1,749,000	1,671,000	1,999,000	1,902,000
Millet.....	3,008,000	2,787,000	3,851,000	5,369,000	4,490,000	3,300,000
Corn.....	827,000	895,000	874,000	2,006,000	1,314,000	1,411,000
Total dessiatines.....	79,874,000	72,523,000	56,673,000	43,587,000	51,824,000	65,770,000
Total acres.....	215,659,000	195,812,000	153,017,000	117,674,000	139,524,000	177,579,000
Percentage compared to 1913...	100.0	90.9	71.0	54.6	64.9	82.4

Such is the movement of the sown area in the U.S.S.R. since 1913. In 1913, 215 million acres were sown with grain, which was the largest area under grain during the last ten years. That year has been taken as 100 per cent. In 1916, in consequence of the war, the sown area fell to 90.9 per cent; in 1920 to 71 per cent, and finally in 1922, as a result of both the European and civil wars, and of the enormous crop failure during 1920, which completely broke up peasant agriculture in 30 provinces, the sown area fell off to 54.6 per cent of the pre-war total. This was the year with the smallest sown area, but it also proved to be the turning point, as with the termination of the civil war, foreign intervention and blockade, the country was able to engage in peaceful reconstruction and the reorganization of its economy. The following year, 1923, the sown area increased to 64.9 per cent of the pre-war figure, and this year, 1924, to 82.4 per cent. The increase in sown area has not yet stopped, and next year, 1925, it is expected that 88 to 90 per cent of the pre-war area will be sown, while in 1927 the sown area is expected to reach 100 per cent of the pre-war total.

Of the food grains, rye, wheat, oats and barley are most cultivated in the U.S.S.R. In 1913 the area under these crops was distributed in the following way: rye, 29 per cent; wheat, 34 per cent; oats, 19 per cent, barley, 12 per cent. The other 6 per cent of the area was sown with other grains. The area under rye for the years 1913-1924 was little changed; this is the principal food

of the population, and is also the most sturdy grain. However, on the other hand, the areas under oats, barley and particularly wheat, were subject to great fluctuations during this period. During the hardest year, 1922, 38 per cent of the total area was under rye, 19 per cent wheat, 15 per cent oats, 6 per cent barley, and 22 per cent under other grains. Beginning with 1923, there was a great increase in area sown under wheat, oats and barley, which in 1924 covered the following areas: Rye, 30 per cent; wheat, 27 per cent; oats, 20 per cent, and barley, 10 per cent. Consequently in 1924 the proportion of the principal field crops was near to the pre-war level, and will be finally equal to it in not more than two years.

Agriculture in Russia, during its past history, was characterized by its small crops. The average annual yield of grains in the pre-war period 1905 to 1914 was as follows:

	Poods per dessiatine	[Bushels per acre
Rye (winter).....	43.7	11.8
Wheat (winter).....	52.1	13.0
Wheat (spring).....	43.7	11.1
Oats.....	46.2	20.7
Barley.....	47.0	16.0

During the war, as a consequence of the falling off of the quality of tillage (the farming being done by the women) and of the reduction of fertilization (a great quantity of stock being consumed by the armies), the yield of the grains was somewhat lowered. For the period 1922-1923 the average yield was:

	Poods per dessiatine	Bushels per acre	Percentage of reduction
Rye (winter).....	43.1	11.6	1.7
Wheat (winter).....	52.0	12.9	0.6
Wheat (spring).....	37.0	9.6	13.5
Oats.....	46.2	20.7	0.0
Barley.....	46.2	15.7	1.9

In this manner spring wheat suffered most, its yield being reduced by 13.5 per cent. The other grains show a reduction of not more than 2 per cent. In 1924, as a result of the drought, the harvest of the Southeastern part of the U.S.S.R. suffered greatly. Twelve provinces were affected, of which 6 suffered very badly. The crop failure was only one-fourth as great as that of 1921 and the grain requirements were easily taken care of by the surplus from other regions, but on the whole the average yield of grains for the Soviet Union will be found to be lowered by 8 to 10 per cent as compared to 1923.

Increasing the yield per acre is a more complicated and protracted problem than the reestablishment of the sown area. This is closely allied to the economic system, crop rotation, quality of tillage, fertilization, seed selection, and extermination of pests. The limits of the pre-war yield will soon be reached: the rapid increase of cattle, of fertilization, the restoration of better tillage of the ground, the development of systematic general extermination of weeds and other pests are now noticeable in the country. The number of large-horned cattle, which fell in 1922 to 66 per cent of the pre-war total, in 1924 had already increased to 82 per cent. The same general outlook is seen in sheep and hog raising, rapidly increasing the fertilization resources of the country. However, the limits of pre-war yield are not the goal at which the country is aiming. The war and the revolution shook all the former foundations of the farmers of U.S.S.R. The population has thoroughly understood that it is impossible to remain content with former methods of agriculture, that new conditions demand new methods of work, aimed not so much at the increase of cultivated acreage, but at the rationalization and intensification of farming methods.

The principal foundation of agriculture in Russia before the war was the triple rotation of crops. The war and the revolution showed the utter destructiveness of this system, and pointed out new methods of farming. At the present time the population is very favorable to the introduction of new methods and is adopting them whenever possible. In general the efforts of the population and the program of the Government are aiming at the following:

1. The transition from the system of purely grain farming to the system of grain and stock farming.
2. The transition from triple crop rotation to multiple crop rotation.
3. The increase in cultivation of grasses and such crops as potatoes, beets, etc.

4. The development and amelioration of stock raising.

5. The development of technical crops, sugar-beets, flax, hemp, cotton, etc.

6. The development of dry-farming in districts subject to drought.

7. The increased use of mechanical labor-saving appliances.

8. The selection and distribution of selected seeds.

9. The extension of wholesale pest destruction.

10. The extension of improved methods of tillage, particularly the correct tillage of fallow land.

Such, in a few words, is the program of the U.S.S.R. as regards agriculture, directed to the regeneration and intensification of agriculture, carrying with it, in the final analysis, the development of the productive power of the land and the increase of yield. This is without doubt a program of several years.

At the present time the concrete measures assisting in the introduction of improved methods of agriculture may be defined as follows:

1. The voluntary selection of any system of farming, but with the necessary condition of the introduction of multiple crop rotation.

2. The encouragement of the cultivation of fodder grass seeds and the exemption of areas under such crops from any taxation.

3. The distribution of grass seeds on long-term credits.

4. Premiums for individual farmers and for whole communities that have introduced correct multiple crop rotation, in the form of exemption from taxation of from 5 to 100 per cent.

5. Development and improvement of the system of experimental stations (their number has been doubled as compared with pre-war figures).

6. The development of a network of governmental and cooperative selection stations and seed farms, encouraging at the same time the seed production of the population by means of exemption of areas under seed crops from taxation and by organizing seed growers' associations.

7. The establishment of a permanent governmental seed fund to the amount of 100,000,000 gold rubles, for the purpose of issuing seed loans to the poorer peasantry and to those districts suffering from crop failures.

8. The development and amelioration of stock breeding, by the creation of governmental and cooperative stud farms, by the extension of a network of public serving stations, prizes for offspring, the distribution of breeding stock on credit, etc.

9. The general introduction of agricultural machinery, producing a part of it in home factories and importing part from abroad. Machinery is distributed to the population on credits for terms of one to three years.

10. The increase in the number of agronomists, of agricultural schools, and the intensive distri-

bution of agricultural literature. For the permanent study of the agricultural conditions abroad, two permanent agricultural agencies have been established, one in the United States and the other in Germany.

11. The enlistment of the population into cooperative societies, such as industrial, purchasing, sale and credit cooperatives. At the present time about 20 per cent of the rural population have been enrolled in various cooperative enterprises, but this is only the commencement of the process, and in the next few years it will develop very rapidly.

12. The organization of agricultural credits. A general governmental agricultural bank has been

organized, with a chain of interconnected credit organizations. The task of this bank is the issuing of credits to the population for the purchase of seeds, stock, machinery, erection of buildings, ameliorative constructions, etc.

All these methods actually began to be introduced at the termination of the civil war, that is since 1922. During the past two years a great deal has already been accomplished, but no extensive results as regards an increased crop yield could be expected as yet. The results of this work will only become evident much later.

The conclusion of this article will appear in the next issue of the Russian Review.

Foreign Relations of the U. S. S. R.

AT the Congress of the Textile Workers' Union of the U.S.S.R. held toward the end of November, 1924, Mr. A. I. Rykov, Chairman of the Council of People's Commissars, delivered a speech on the international and internal situation of the Soviet Union. Some of the passages of the speech referring to the Soviet Union's foreign relations are given below:

In one of the British notes it is stated that the Baldwin Government will refuse to present for confirmation in Parliament, or for ratification by the King, the agreements concluded with the MacDonald Government. Not long ago the British bourgeoisie was upbraiding us for having repudiated, after the November Revolution, the obligations, treaties and agreements that had been concluded by the Tsarist Government. Now the Baldwin Government has wiped out all the work done by its predecessor with regard to the U.S.S.R. and is repudiating all responsibility for this work. And yet, both the U.S.S.R. and Great Britain are equally interested in the agreements reached between us and the MacDonald Government.

Standing our ground on the accomplishments of the November Revolution, and particularly on the decrees concerning the nationalization of private property and the repudiation of the debts, we consented in these agreements, as an exceptional case, to allow considerable compensations to English subjects for the losses they had sustained by the operation of these laws—under the condition that we should be granted a loan. English citizens—and particularly the English bourgeoisie—are by no means less interested than we in bringing about the conclusion of this agreement. In the seven years since the November Revolution not a single English citizen has received a penny in compensation for these losses. If the British Government so desires, this condition may be prolonged indefinitely.

All the other portions of our agreement with MacDonald safeguarded the interests of both Governments, that of England no less than that of the U.S.S.R. Among these are: a commercial treaty, a treaty regulating fisheries as well as a number of other practical agreements, which provided for a strengthening of the commercial and economic relations between England and the U.S.S.R. This development of commercial and economic relations is necessary in the interests of both countries. Of course, the U.S.S.R. needs a development of its commercial relations with England. But it would be foolish to forget that England also needs to develop its economic relations with us, which is apparent if only from the immense unemployment in England, which shows no sign of decreasing. The Soviet Union, at the present rate of its economic rehabilitation, which has been going on for the past two or three years, is each year offering a greater market for the investment of capital and for the development of commercial relations. Every worker—English or Russian—should understand that the responsibility for tearing up these treaties rests solely and fully with the new English Government. We may say for ourselves that we have been animated only by the desire to effect these treaties on the basis that was reached by us with the MacDonald Government.

Possibly the English Government may propose to confirm these treaties in some other form. We shall not fail to consider such propositions, but we must emphatically point out that the concessions made by us in the negotiations with the MacDonald Government are the best we can do. We have already heard a large number of protests against the making of these concessions, both in the sessions of the Central Executive Committee and in the meetings of the workers. Within the limits of the concessions we have already made, an agreement may just as well be concluded with the Conservative Government, if it will heed the

voice of the people and place the interests of peace and the development of the economic life of the two countries on a higher level than temporary political alignments and temporary complications such as that produced by the forged Zinoviev letter. It is regrettable that in the political activity of the Conservatives the immense question of the cooperation of two of the greatest nations of Europe should be so strangely connected with one particular incident, so unfortunate for the Conservatives, of the forged Zinoviev letter. It seems to me to be to the interest of both countries to find some means of disposing of this incident and to proceed to the actual work of strengthening the relations between the Soviet Union and Great Britain. I think we shall come to this sooner or later, rather sooner than later, as one is led to believe by the rapprochement between the English working class and that of the U.S.S.R.

The Soviet Union and Germany

Our relations with Germany cannot be based on the temporary political alignment in that country, especially since this alignment is subject to such frequent change. But a consideration of the ultimate development of international relations leaves no doubt in one's mind that Germany and the U.S.S.R. will more and more approach each other. Whatever may be the composition of the German Government, it will be obliged to reckon to some extent with the Union of Soviet Republics, for the U.S.S.R., with its reviving economic system, constitutes an enormous market for the application of all the achievements of German industry, while our raw materials may supply Germany not only with raw materials for her industry, but also with grain, meat, and other food supplies. This is a fundamental political factor, which, regardless of the temporary alignment in Germany, will have a far-reaching influence on the course of the relations between the peoples of Germany and of the Soviet Union. We therefore attach considerable importance at present to the negotiations for a commercial treaty which have begun at Moscow, a German delegation having recently arrived for this purpose. The interests of the two nations and their peoples—the German people and the people of the Soviet Union—are in favor of the attainment of a real and durable commercial agreement, based on the fact that the interests of the two countries are more and more in need of an intimate cooperation in the economic field.

France and the U. S. S. R.

You are aware that at the moment when Churchill and the other Conservative leaders were upbraiding the Government of the Soviet Union,* the French Government recognized us *de jure*, and Krassin arrives today in Paris as

* During the election campaign. *Ed. R. R.*

our Ambassador to the French Government. Soon negotiations with France will begin on a number of practical questions.

Throughout the operations of our foreign policy we have had occasion to come into contact with "feelers" sent out by France, but owing to the absence of diplomatic relations between the two countries, have never had an opportunity to regulate a number of questions on which there really is no disagreement between France and the U.S.S.R. At present, aside from the prospects of the development of economic relations, we shall now be able to proceed to the solution of quite a number of political questions both in Europe and in the Colonies.

Negotiations with the French Government have not yet begun, in fact we have not yet exchanged preliminary propositions, but we shall in any case devote all our energies to the task of bringing the negotiations, which are to begin in the immediate future, to a favorable conclusion, although we must not overlook the difficulties that beset our path, since in dealing with France we are dealing with a country that more than any other floated Tsarist loans among its population and cooperated in the arming of Russia during the reign of the Tsar and in the development of Tsarist imperialism. In our negotiations with France we shall at any rate not relinquish any of the fundamental achievements of the November Revolution.

The Soviet Union's Policy in the Far East

The U.S.S.R. entered in triumph into the very centre of Far Eastern politics, Peking, supported not by the bayonet, nor by agreements with diplomats of other countries, but by the entire people of China.

We made an agreement with China on the basis of full equality of rights for the people of China and of the U.S.S.R. Our agreement is not only a tremendous fact of international significance, but it will aid immensely in developing the internal forces of the Chinese people, fighting for the independent existence of the Eastern peoples against predatory imperialism. The masses of the Chinese people have found in our treaty the realization of their national aspirations.

Negotiations with Japan

We have for some time been conducting negotiations with Japan; several times we have seemed to be on the brink of breaking off these negotiations. In essential matters this agreement has already been reached and negotiations are continuing only on the subject of the area of the oil regions and coal deposits in Sakhalin that are to be handed over to exploitation by the Japanese when they evacuate the island. They asked for 60 per cent; we have consented and shall consent to cede only 40 per cent as a Japanese concession. I think that Japan will yield

and that an agreement will be attained. Such agreement is demanded by the economic interests of Japan as well as of the Russian Far East. Japan and the U.S.S.R. have a long and convenient common boundary, along which an active interchange of products has long been in progress. The fisheries and mining resources of the Russian Far East are of peculiar interest to Japan. But the development of economic relations and the admission of Japanese capital to the exploitation of the natural resources of the Far East will be possible only in the case of a successful conclusion of the negotiations already begun with Japan.

Soviet-German Negotiations

The first session of the Soviet-German conference, regarding the proposed commercial treaty, was opened on October 15, 1924, by Mr. L. B. Krassin, People's Commissar for Foreign Trade of the Soviet Union.

After greeting the German delegation in the name of the government of the Soviet Union and the Peoples' Commissariat for Foreign Trade, Mr. Krassin pointed out the common interests of the U. S. S. R. and of Germany and the necessity for economic cooperation between the two countries. Germany's large industries need raw material which the Soviet Union has in abundance. At the same time the development of big industries in the Union of Soviet Republics is well under way, and in this respect German technique can play an important role.

Mr. Krassin then touched on the widespread erroneous opinion that Russia is exclusively an agricultural country. As a matter of fact, already in pre-war Russia many industries attained the same development as in countries of Western Europe. The industrial development of the U. S. S. R., however, does not mean that the demand for articles of foreign manufacture will decrease. Experience has shown that trade has always been most intensive between countries with highly developed industries, and the growth of the Soviet industries will undoubtedly lead to the development of trade between the Soviet Union and Germany.

On the question of the Soviet system of foreign trade, Mr. Krassin emphasized that the monopoly of foreign trade is an absolute necessity in the struggle of the Soviet Union against the pressure of foreign capital. Deprived of this protection, the Soviet Republics, weakened by the world war and the events of the last few years, would inevitably become completely dependent on the economically powerful countries of Western Europe. The foreign trade monopoly becomes therefore the most important fundamental question lying at the basis of all of the Soviet Union's commercial negotiations.

The experience of the last four years has shown that the foreign trade monopoly is not a drawback in the development of trade relations. The total volume of the Soviet Union's foreign trade almost doubles each succeeding year. The import and export figures are still comparatively low, but this is due to a number of circumstances and to the dependence of the export trade on the rehabilitation of various branches of national economy. The Soviet Government is exporting actual surplus only, and if the Soviet Union's industries have reached approximately 60 per cent, while agriculture reached 75-80 per cent of their pre-war level,—then it is not surprising that the foreign trade has so far reached only 20-25 per cent of the pre-war volume.

For a successful development of economic relations between the U. S. S. R. and Germany, much capital is required, but this is lacking in both countries. The centre of gravity of this question lies in obtaining long-term credits which would be large enough to meet the enormous needs with which the Soviet Union is confronted. In the matter of credits the interests of Germany and of the U. S. S. R. are identical.

In conclusion, Mr. Krassin spoke of the necessity of each country respecting the interests of the other, and expressed the hope for a favorable outcome of the negotiations.

The German ambassador, Count Brockdorff-Rantzau, in his reply, said that any difficulty which may be encountered during the negotiations, should be overcome by the combined efforts of the two governments. Historical considerations point to the necessity of peaceful cooperation between the German nation and the peoples of the Soviet Union. The German people decided to enter into negotiations neither as a supplicant, nor as an aggressor, but as a sincere friend. The German government enters into negotiations fully recognizing that each country has a right to organize its economic life as it sees fit, and it sincerely wishes that the negotiations bring about favorable results.

Mr. Krassin Presents His Credentials

The official presentation of credentials by Mr. Krassin, representative of the Soviet Government in France, to the President of the French Republic, M. Dumergue, took place on December 12. In presenting the credentials, Mr. Krassin made the following speech:

"I have the honor to hand you the credentials, with which the Central Executive Committee of the U.S.S.R. accredits me as envoy extraordinary and minister plenipotentiary to your country. The exchange of declarations between our governments has sanctioned their decision to establish between them, as well as between our nations, normal political and economic relations. I wish to assure you that it will be the purpose of my mission to strengthen the relations of sincere

friendship, which has been so auspiciously inaugurated between our nations, and also to develop and augment in them the desire for economic cooperation for mutual advantage. I shall do everything to bring about this aim and I express the confidence that I shall meet on your part, as well as on the part of the government of the French Republic, the most complete and sincere assistance in carrying out successfully the mission entrusted to me."

In his reply, M. Dumergue said:

"Having taken upon itself the initiative of recognizing the government of the U.S.S.R., the Government of the French Republic has by this token shown the desire to hasten the establishment of normal diplomatic and economic relations between the two nations. I am happy to hear from you that your government shares the same desire. Expressing the wish to work in favor of strengthening the friendly relations between the two nations, you are echoing the desire of France, which has repeatedly given evidence of her friendly sentiments towards the Russian nation. Nothing can be more potent in fortifying these relations than the development of economic cooperation based on the mutual interests of both countries. The French nation adheres strongly to the principle of non-interference in the internal affairs of other countries, and this will be the rule also in the relations between our two countries. Our nation remains true to its traditions which respect the right of other nations to choose freely the forms of their government. It is only in an atmosphere of trust that friendship can bear its fruit and economic relations be resumed and developed. To create again this atmosphere of trust—this is the aim, which both governments should now place before them and which will be subject of negotiations to be taken up in the near future. The words expressed by you a while ago testify to the fact that you will apply all your efforts in this direction. In accepting the credentials, with which the Central Executive Committee of the U.S.S.R. accredits you as envoy extraordinary and minister plenipotentiary, I assure you that in the execution of your diplomatic mission you will always meet on my part, as well as on the part of all the members of the government of the Republic, the most loyal cooperation."

Decree for the Guidance of Soviet Representatives

On November 21, 1924, the Presidium of the Central Executive Committee of the Soviet Union has decreed to propose to the plenipotentiary representatives of the Union of S. S. R. abroad the acceptance of the following rules for guidance:

"The recognition of the Union of S. S. R. occurring on the part of a whole line of governments during the recent period and the recognition doubtless forthcoming on the part of the remain-

ing governments, bring Soviet diplomacy into the sphere of normal intercourse with the diplomacy of the capitalist states on the basis of an exchange of legations and so forth.

"This important and valuable achievement, embracing within itself, if properly developed, weighty political and economic results for the interested parties, encounters or may encounter under certain circumstances specific difficulties arising from the fundamental public and social difference between the Soviet Government and all the other governments.

"It appears expedient to introduce the necessary clarity into these questions, in order to avert beforehand misunderstandings likely to issue therefrom and extremely undesirable from the viewpoint of the development of normal international relations and connections.

"It goes without saying that embassies are named both by the one side and by the other for purposes excluding propaganda in the country to which they are accredited. The Soviet embassies and legations are observing and will observe this principle with absolute strictness. At the same time, however, each Soviet mission does represent its Republic, namely, a workers' and peasants' Government, wherein there reigns a particular order of life, determined by the social and moral conceptions of the toiling classes. Under these circumstances it is quite evident that the representatives of the Union of S. S. R. accredited to foreign governments observe, in the mode not only of their personal, but also of their official diplomatic life, that simplicity of form and economy of expenditure which accord with the spirit of the Soviet regime. Neglect to take part in this or that outward ceremony customarily connected with the diplomat's position, but by no means ensuing from it, must therefore not be regarded as a discourteous act. In like manner, the abstention of Soviet representatives from participation in manifestations having a monarchical and in general a character alien to the Soviet system, cannot and must not in any event be considered as an act of propaganda or as a demonstration of a political nature. On its own part the Soviet Government, too, will, of course, not view it as a display of unfriendliness in those cases where diplomats of friendly nations deem it contrary to the customs of their countries to take part in celebrations or meetings at which manifestations of a revolutionary character occur. We do not doubt that such a mutually attentive regard for the profound distinction between the States now entering into regular diplomatic relations will assure a completely amicable conduct of affairs, without unnecessary friction and obstacles and besides in such forms as will not meet with disapproval on the part of the public opinion of the interested countries."

Mr. Tchitcherin's Note to Mr. Hughes

On December 15, 1924, Mr. G. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, sent the following telegram to Mr. Hughes, Secretary of State of the United States:

"Authorities of the Soviet Government delivered to Moscow a round brass plate which they discovered affixed to a rock on the Chukotsk peninsula in the Emma Bay at Puzyno cape; the plate was provided with the following inscription: "U. S. Coast Geodetic Survey, Magnetic Station. For information write to Superintendent in Washington. Two-hundred and fifty dollars fine or imprisonment for disturbing this mark."

"This plate, placed in July, 1920, is evidence of magnetic observations which were really carried out at that time, as well as during the subsequent years, by the coast guard cutter "Bear" belonging to the United States. While pointing out that repeated entry of an American war vessel into the territorial waters of the Soviet Republics without permission is contrary to international law, I must emphasize that the erection of the foregoing plate and the threat to Soviet citizens inscribed on it constitute a gross violation of the sovereignty of the Soviet Republics.

"Protesting categorically to the Government of the United States of America against such illegal actions of its officials not distinguishing where the territory of their country ends and where that of another sovereign country begins, I must point out that similar violations of the legitimate rights of the U. S. S. R., in the case of their recurrence, will be stopped decisively by the Soviet Government."

Soviet Diplomatic Nominations

On November 28, 1924, Mr. Dovgalevsky presented to the King of Sweden his credentials as representative of the Soviet Government.

On December 4, 1924, the Presidium of the Central Executive Committee of the Soviet Union decided to relieve Mr. V. Aussem of his position as diplomatic representative in Austria and to appoint to this post Mr. A. A. Ioffe.

Mr. G. P. Mdivani has been appointed Trade Representative of the U. S. S. R. in France. Mr. Shliapnikov, Councilor of the Soviet Embassy in France, and Mr. Arosev, head of the press service, have left for Paris.

The Soviet diplomatic mission to Albania recently sent to Tirana, the capital of that country, was headed by Mr. Krakovetsky who was accompanied by Mr. Vazonov, the latter to take charge of the consular division of the mission.

Mr. M. V. Korebsky, diplomatic representative of the Soviet Union in Esthonia, has been appointed diplomatic representative in Denmark, a position previously occupied by Mr. Heyn. The successor of Mr. Korebsky as diplomatic representative in Esthonia is Mr. A. G. Petrovsky.

Export and Import Items

ACCORDING to preliminary figures of the People's Commissariat for Foreign Trade, the exports from the Soviet Union during October last amounted to 478,494 tons valued at 24,106,000 gold rubles.

Timber comes first among the items of export, amounting to 6,081,000 gold rubles; oil products—3,171,000 gold rubles; eggs—2,881,000 gold rubles; furs—1,682,000 gold rubles; grain—1,372,000 rubles; butter—1,363,000 rubles, etc.

The favorable balance for the month of October amounts to 4,700,000 gold rubles.

Soviet-American Trade

In the course of December, 1924, the Amtorg Trading Company of New York, which is engaged in export and import trade between the United States and the Soviet Union, purchased 2,083 tractors for the aggregate amount of \$1,500,000.

On December 24, 1924, six hundred of these tractors were shipped from New York to Odessa, and three days later another shipment containing 1,333 tractors was sent to the port of Novorossiysk; 150 tractors are to follow in January.

This is the second large purchase of tractors by the Amtorg Trading Corporation. The first shipment, consisting of 1,000 tractors, was dispatched in August, 1924.

Import of Agricultural Machinery

The right to import a number of agricultural machines has been recently granted to the Russo-German Trading Corporation and to the State Trade Administration by the Supreme Council of National Economy. These machines include 1,500 ploughs, 20,000 separators, 5,500 hay-mowers, 4,700 horse-drawn rakes, 1,100 binders, 3,500 fanning mills, 100 sorters, 100 flax-seed cleaners, 10,250 harrows, 500 clover hullers and 600,000 pitchforks. The license covers machinery to the amount of 2,867,500 gold rubles.

Foreign Trade Through the Port of Leningrad

In the course of the fiscal year 1923-24 52,000,000 poods of export freight and 28,000,000 poods of import freight passed through the port of Leningrad.

PAMPHLETS

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2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.

Miscellaneous News

A New Concession

The "Lux" factory, located on the Kommissarovsky quay in the city of Moscow, has been turned over as a concession to the "Gazoakkumulator," a Swedish joint-stock company.

The object of the agreement is to grant the concern in question the right to manufacture apparatus for incandescent lighting, as well as various other appliances for lighting, heating, signaling and similar purposes.

For the granting of this concession the company is to pay the Government (in this instance the Moscow Soviet) an annual duty amounting to 3 per cent of the gross turnover of the enterprise, the minimum extent of this compensation being fixed as follows: 210,000 gold rubles in 1924-25, 332,000 gold rubles in 1925-26, 470,000 gold rubles in 1926-27 and subsequent years. Besides this in return for raw materials and semi-manufactured goods delivered over to it the company is to pay the Government 75,000 gold rubles.

The concessionaire undertakes to fulfill a definite production program and in connection therewith binds himself to equip the factory technically in the proper manner, for which purpose he is accorded the privilege of importing machines duty-free during two years, if such machines cannot be procured in the Soviet Union at prices not exceeding the foreign figures by more than 15 per cent, plus customs duties and freight.

The company is given the right to dispose of its output within the limits of the Soviet Union at terms of its own choosing, while export shipments of its products are to be made on the general basis of the legislation covering foreign trade.

For losses due to non-fulfillment or breach of the agreement the concessionaire is liable to the extent of all his property, whether located in the Soviet Union or abroad.

The term of the concession is fixed at 25 years, at the expiration of which the enterprise turned over to the concessionaire, together with all buildings, equipment and stock, reverts to the Government without compensation.

Air Service Between Moscow and Paris

The "Deruluft" Company (German-Russian Air-Service Company), which has been operating a successful air service between the U. S. S. R. and Germany for the last three years, has entered into an agreement with the German Aero-Lloyd and Dutch Royal Air Service Company for the opening of a new direct air line between Moscow and Paris.

As has been the practice in the last three years, the machines will leave Moscow at 7 A. M. and will reach Koenigsberg about 5:15 P. M. From Koenigsberg passengers travel by night express train to Berlin, arriving at Friedrichstrasse Station at 7:14

A. M. Automobiles will carry the passengers to the Staaken aerodrome; at 8:30 A. M. the aeroplane will leave, arriving at Amsterdam at 2 P. M. Leaving Amsterdam at 3 Paris will be reached at about 6:30 P. M.

Tickets for the direct line to Paris may be obtained in the offices of "Deruluft" in Moscow. The cost is \$135, and includes also a reserved seat in the express train Koenigsberg-Berlin, as well as automobile transportation in Koenigsberg, Berlin and Paris.

The new air line will be open for passengers, mail and freight.

Direct Steamer Service Between Leningrad and Koenigsberg.

Direct boat service between Leningrad and Koenigsberg was opened on November 12 when the first German mail, freight and passenger boat (1,500 tons) left Leningrad for Koenigsberg. Prior to that freight and passenger service existed only between Leningrad and Stettin.

Natural Resources of Transcaucasia

Analysis of the graphite discovered in the Zangezour district (Armenia) shows that this mineral equals in quality the Ceylon graphite, considered the best on the world's market. The graphite deposits are situated 40 versts from the Julfa-Baku Railway.

A scientific expedition has located rich deposits of lithographic stone in the valley of the river Akstaf near the settlement of Karavan-Sarai.

Deposits of galena were found in the Khintzmyf mountain; according to reports these mines had been worked ages ago by the Genoese.

So far the following deposits have been located in Abkhazia: coal—in ten localities; silver-lead and lead ores—in ten localities; copper ore—in six localities; iron ore—in six localities; zinc ore—in one locality; pyrites—in four localities; mineral-pitch—in three localities; asbestos—in one locality; marble—in one locality; chalk—in one locality. Manganese and gypsum were also located.

Geological experts are taking up the question of organizing systematic research work to investigate the natural wealth of Abkhazia.

Armenians from America Visit the U.S.S.R.

A delegation representing Armenians (ex-nationals of Turkey) residing in America, recently arrived in Transcaucasia for the purpose of negotiating with the Soviet Government of Armenia the establishment of a textile factory in Armenia and for the transmigration of Armenians who are specialists in the textile industry.

Manufacture and Sale of Alcoholic Beverages

On December 3, 1924, the Central Executive Committee and the Council of People's Commissars of the Union of Socialist Soviet Republics have decreed as follows:

1. That clause 1 of the decree issued by the Council of People's Commissars of the Russian Socialist Federated Soviet Republic on January 30, 1923, permitting the manufacture and sale of cordials and liquors (Collected Statutes of the R.S.F.S.R., 1923, No. 6, art. 100), and the corresponding legislation of the other republics of the Soviet Union be amended as follows: The proper State agencies are permitted to manufacture and sell liquors and cordials containing ethyl (grain) alcohol to the extent of not over 30 degrees (according to Tralles' alcoholometer).

2. To permit the bureaus of the State distilling and wine manufacturing industry in the wine manufacturing regions as well as their base stores wherever these latter may be situated, to manufacture and sell cognac, cordials, and liquors of grape alcohol, content of which is not to exceed 30 degrees (Tralles).

3. As an amendment to art. 17 of the supplement to the decree of the Council of Labor and Defense issued on August 24, 1923, concerning the firm excise rates in terms of gold rubles ("Vestnik" [Messenger] of the Central Executive Committee, the Council of People's Commissars and the Council for Labor and Defense of the Union of Socialist Soviet Republics," 1923, No. 13, art. 365), to introduce additional excise on the beverages indicated in articles 1 and 2 of this decree, to the extent of 14 rubles per *vedro*, or 1 ruble 14 kopecks per liter, in addition to the basic excise fee of 30 kopecks per degree of alcohol content.

4. The People's Commissariat for Finances of the Union of Socialist Soviet Republics is hereby entrusted with the task of issuing in agreement with the Supreme Council of National Economy of the Union of S. S. R., instructions for the enforcement of these regulations.

The First Generator Constructed in the U.S.S.R.

The "Electrosila" plant of the Leningrad Machinery Trust has just completed the construction of the first high-power generator of 500 kilowatt, 3,000 revolutions per minute. This is the first of its kind built in the U. S. S. R., and is intended for the high power station now being erected in Novo-Nikolayevsk.

Ludwig Martens Chairman of the Committee on Inventions

On November 12, 1924, the Council of Labor and Defense appointed Mr. Ludwig Martens as Chairman of the Committee on Inventions attached to the Supreme Council of National Economy. Mr. Ivan O. Mikhailovskiy was appointed his substitute.

Eastern Society for Mutual Credit in Moscow

The official opening of the Eastern Society for Mutual Credit in Moscow took place on November 30, 1924, in the presence of representatives of the People's Commissariat for Finance of Soviet Russia proper, the Persian and Turkish Legations, the Moscow mutual credit societies, the Moscow Mercantile Exchange and of eastern organizations.

In his welcoming speech, P. A. Rodionov, head of the currency department of the Commissariat for Finance of Soviet Russia proper, emphasized the necessity of the closest economic rapprochement of the U. S. S. R. with the East, and of the cooperation of Eastern merchants with the Soviet Union's State industry, pointing out that in this connection the establishment of the Eastern Society for Mutual Credit in Moscow assumes great significance.

Replying to the welcome, the chairman of the managing board of the Society expressed his gratitude to the People's Commissariat for Finance for the consideration given to the new organization, and proceeded to set forth the plans and purposes of the Society. In the name of the managing board of the society he promised to make every effort to bring closer together the interests of the East and those of the U. S. S. R., and to give maximum satisfaction to the demands of the society's clients.

Silver Bought in England

The People's Commissariat for Finance purchased in England 45 million rubles worth of silver for the minting of silver coins in U. S. S. R.

Jews Obtain Land Grants

A grant of 10,000 dessiatines of land was made by the White-Russian Soviet Republic to Jewish farmers; 1,500 families are expected to settle in the spring.

Courses on Medicine and Sanitation

The Section of Hygiene of the League of Nations extended to the People's Commissariat for Public Health of the U. S. S. R. the privilege of sending 30 physicians to the international courses on medicine and sanitation; these courses will be held in different Western-European countries during 1925, and will include representatives from every European country.

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The Soviet Union's Exports for 1923-24

THE statistical data of the Customs Administration are the fundamental source for the determination of the Soviet Union's exports for the year 1923-1924. According to these, the grand total of the country's exports for the expired year is set at 339,800,000 rubles. Unfortunately, the customs statistical data are incomplete with respect to quantity, and the export total is considerably below the actual figure.

The incompleteness of the information in question is due to the fact that it includes only exports of goods across the European, Black Sea and Caucasus borders of the Union; the data for the Asiatic frontier have thus far been worked out only for the first two quarters of the fiscal year. Meanwhile, exports across this border for the first half year represent a rather substantial figure—13,083,000 rubles. Accordingly, with the addition of exports over the Asiatic frontier for the first half year, the Soviet Union's exports aggregate 353,000,000 rubles, while, with the addition of a very cautious preliminary estimate for exports across the Asiatic boundary during the second half year, the country's exports for the whole year exceed 360,000,000 gold rubles.

The inexactness in the valuation of exports results from the fact that the appraisal of the goods exported has been made by the statistical department of the Customs Administration at pre-war prices. This method of calculation leads to a considerable divergence between the real export total and its estimation in the customs statistics.

The conversion of the export total into present prices may be effected by means of a calculation of the average indexes of price increases; however, the export value obtained by this method is but very approximate.

The calculation of the value of the exports according to actual f. o. b. selling prices is more accurate. The information procured from the exporting organizations for the most important export articles may serve as a basis for this purpose. In those cases where the data in question are incomplete or entirely lacking, the value of exports may be figured at average exporters' prices, checked up by the data in the licensing statistics, the selling prices of the trade delegations, and current prices. Upon such a calculation, at f. o. b. prices, the grand total of the Soviet Union's exports comes to 525,000,000 gold rubles, according to a preliminary calculation. This figure is somewhat below the real amount, since the exports of manufactured goods across the Asiatic border have not been calculated; with re-

spect to timber exports, for which the compilation has not yet been completed, the value of the year's exports has been reckoned according to the summarization of the Central Timber Export Bureau for the first three quarters, and for the fourth quarter according to quantitative data of this bureau converted at the average selling prices. It may be presumed, however, that the probable error in the calculation of the total value of the country's exports does not exceed 1 to 2 per cent (decrease).

The exports for the elapsed fiscal year (October 1, 1923, to October 1, 1924) were made up as follows according to individual groups (at present prices):

Classification of goods	Exported during 1923-24		Percentage scheduled in program
	Gold Rubles	Percentage of total	
I. Agricultural products	276,872,000	52.5	57
II. Timber and products of dry wood distillation.....	55,700,000	10.6	13
III. Hunting and fishing products.....	55,409,000	10.5	9
IV. Animal products.....	54,249,000	10.3	5
V. Products of the industry of foodstuffs and delicacies.....	10,298,000	2.0	3
VI. Products of mining industry.....	57,380,000	10.9	9
VII. Products of other industrial branches...	4,376,000	0.9	2
VIII. Miscellaneous goods...	11,865,000	2.3	2
Total.....	525,649,000	100.0	100

As compared with the previous year, the exports of the expired fiscal year are characterized by a certain increase in the relative importance of agricultural products at the expense of a diminution in the role of timber materials and products of the mining industry.

The following table illustrates the composition of exports for 1923-24 in comparison with the pre-war condition:

Classification of goods	Exported in 1909-1913	Exported in 1923-1924 (at present prices)
	Percentage	Percentage
I. Agricultural products.....	57.5	52.5
II. Timber and products of dry wood distillation.....	10.1	10.6
III. Hunting and fishing products.	1.7	10.5
IV. Animal products.....	15.8	10.3
V. Products of the industry of foodstuffs and delicacies....	3.8	2.0
VI. Products of mining industry..	5.0	10.9
VII. Products of other industrial branches.....	4.1	0.9
VIII. Miscellaneous goods.....	2.0	2.3
Total.....	100	100

The low percentage of the fur exports is explained by the fact that in the pre-war period—the same as at present—these exports were not recorded completely by the customs statistics of the Soviet Union.

The tabulation exhibited indicates a very close approximation of the make-up of exports to the pre-war status. The largest increase in the export total is shown by the group of hunting and fishing products (due to the growth of fur exports, already surpassing the pre-war figures) and the group of mining industry products (thanks to oil products and manganese ores). On the other hand, the relative part of the live stock exports in the Soviet Union's foreign trade is still somewhat below the pre-war level, while the group of manufactured articles is as yet much below the pre-war standard in its importance. A certain understatement in this group must be attributed to the incompleteness of the data, inasmuch as the exports are in considerable part effected across the Asiatic frontier, for which the statistical data of the Customs Administration have not yet been elaborated.

The figures of the exporting organizations are lacking on a number of articles (potash, perfumes, carpets, silicate products, such as glassware, etc). However, even taking in consideration the incompleteness of the data, the exports of manufactured goods may be reckoned at about 1 per cent of the total (as against 4.1 per cent in pre-war times). The exports of agricultural products, including oil-cake, constitute 64 per cent of the whole; agricultural products in manufactured form, 2 per cent; products of the mining and mineral manipulating industries, about 13 per cent; timber, 10.6 per cent; hunting and fishing, 10.5 per cent.

The elapsed fiscal year was also marked by a substantial increase in the basic articles of the country's pre-war exports—grain products and butter and eggs, whose present role in the export trade approximates the pre-war standard.

How fast the Soviet Union's exports have increased during the past years is seen from a comparison of the following export figures according to prices prevailing at the time the transactions were executed:

	Gold Rubles
1921-1922.....	113,000,000
1922-1923.....	211,000,000
1923-1924.....	525,000,000

Thus, the year 1923-1924 again yielded an increase of more than twofold over the previous year.

The table on next column, comprising the most important export items presents the extent to which the export program for the past fiscal year has been executed, the first column showing the export program figures, while the second column shows the amounts of actual exports.

Commodity	Program quota	Actually exported	Percentage of program execution
	Gold Rubles	Gold Rubles	
Grain products.....	224,000,000	253,811,000	113
Flax.....	18,000,000	20,106,000	112
Timber materials....	58,000,000	55,000,000*	98
Furs.....	35,000,000	52,000,000	151
Fish products.....	2,000,000	3,409,000	170
Bristles.....	3,500,000	4,720,000	135
Eggs.....	7,000,000	12,145,000	173
Butter.....	8,000,000	31,464,000	393
Tobacco.....	3,000,000	3,827,000	124
Sugar.....	7,000,000	4,520,000	65
Oil products.....	30,000,000	37,974,000	126
Manganese ore.....	1,424,000	16,269,000	1,162
Rubber shoes.....	1,200,000	839,000	70
Fabrics.....	3,500,000	1,796,000	60
Alcohol.....	1,500,000	378,000	25
Santonin.....	2,565,000	3,240,000	127
Total for all export items.....	428,750,000	525,649,000	123

The total value of the Soviet Union's exports—525,600,000 gold rubles—surpasses the program quotas (429,000,000 gold rubles) by 23 per cent; this excess would be substantially less if exclusion were made of exports across the Asiatic border, where the turnover is not subject to licensing, so that exports do not bear a scheduled character.

The relative export importance of the individual commodity groups is very close to the program quotas; only the exports of animal products and of those of the mining industry surpass the program schedules, being offset by the figures for grain and timber, which are closer to the program schedule.

At the same time, as is evident from the table, the divergence from the program quotas is very large for individual export articles, especially for furs, butter, manganese ore (excesses) and for alcohol (deficiency). The divergence between the actual exports and the program schedule shows that the significance of the latter is rather relative. The cause of this lies on the one hand in the nature of the exports, consisting of agricultural products in great part, and on the other hand in a still larger measure in the dependence of the program's execution upon foreign market conditions. The extent of the part played by the second circumstance is evident from the fact that in the case of exports of manufactured goods, which are amenable to the program regulation in a higher degree than agricultural products, the divergence from the program quota was very considerable. It must be observed, however, that for the fundamental export commodities—grain, timber, textile fibers, oil products—the exports approach the program very closely. At any rate, the divergence from the program for the fiscal year 1923-24 is much less than for the preceding year, when the approximation of exports to the program occurred only with respect to the grand total.

*Data incomplete.

Soviet Foreign Trade Figures Month by Month

THE development of the foreign trade of the Soviet Union in the course of the last two fiscal years—October 1, 1922, to October 1, 1923, and October 1, 1923, to October 1, 1924—is shown month by month in the tables below. The first of these tables shows the progress of the Soviet Union's foreign trade according to quantities (in foods), while the second table presents the value in gold rubles according to the prices prevailing in 1913. The present prices are much higher and the export totals for the last fiscal year, according to prices of 1923-24 are given in another article of the present issue.

Quantities in Foods

Month	Exports	Imports of	Total
	Poods	commercial freight Poods		turnover Poods
1922-23			
October.....	10,295,000	12,386,000	22,681,000
November.....	4,650,000	6,877,000	11,527,000
December.....	4,418,000	3,377,000	7,795,000
January.....	3,449,000	2,504,000	5,953,000
February.....	4,634,000	2,135,000	6,769,000
March.....	7,478,000	2,993,000	10,471,000
April.....	5,936,000	1,788,000	7,724,000
May.....	12,989,000	1,833,000	14,822,000
June.....	14,963,000	7,623,000	22,586,000
July.....	21,451,000	3,358,000	24,809,000
August.....	21,506,000	3,628,000	25,134,000
September.....	20,143,000	6,808,000	26,951,000
Annual total.....	131,912,000	55,310,000	187,222,000
1923-24			
October.....	37,311,000	7,061,000	44,372,000
November.....	41,223,000	9,920,000	51,143,000
December.....	37,420,000	3,611,000	41,031,000
January.....	22,645,000	3,089,000	25,734,000
February.....	22,231,000	2,350,000	24,581,000
March.....	29,294,000	3,324,000	32,618,000
April.....	21,954,000	3,037,000	24,991,000
May.....	31,747,000	1,985,000	33,732,000
June.....	29,041,000	3,586,000	32,627,000
July.....	33,088,000	3,990,000	37,078,000
August.....	27,058,000	4,721,000	31,779,000
September.....	32,091,000	5,076,000	37,167,000
Annual total.....	365,103,000	51,750,000	416,853,000

Value in Gold Rubles

Month	Exports	Imports of	Total
	Gold Rubles	commercial freight Gold Rubles		turnover Gold Rubles
1922-23			
October.....	12,107,000	24,154,000	36,261,000
November.....	9,190,000	13,873,000	23,063,000
December.....	6,636,000	11,426,000	18,062,000
January.....	5,115,000	6,219,000	11,334,000
February.....	6,095,000	5,829,000	11,924,000
March.....	8,739,000	8,170,000	16,909,000
April.....	7,372,000	9,023,000	16,395,000
May.....	10,839,000	9,747,000	20,586,000
June.....	15,875,000	17,972,000	33,847,000
July.....	17,080,000	10,176,000	27,256,000
August.....	16,193,000	10,574,000	26,767,000
September.....	18,000,000	20,729,000	38,729,000
Annual total.....	133,241,000	147,892,000	281,133,000

Value in Gold Rubles

1923-24			
October.....	26,719,000	16,644,000	43,363,000
November.....	38,290,000	14,767,000	53,057,000
December.....	35,500,000	14,207,000	49,707,000
January.....	22,871,000	12,490,000	35,361,000
February.....	24,876,000	13,368,000	38,244,000
March.....	31,019,000	12,015,000	43,034,000
April.....	22,109,000	12,300,000	34,409,000
May.....	24,378,000	15,090,000	39,468,000
June.....	25,151,000	18,685,000	43,836,000
July.....	29,790,000	23,511,000	53,301,000
August.....	24,042,000	28,615,000	52,657,000
September.....	28,196,000	25,116,000	53,312,000
Annual total.....	332,941,000	206,808,000	539,749,000

Anglo-Soviet Trade Relations

ON the occasion of the dinner given on December 16, 1924, by the Trade Delegation of the U. S. S. R. in London, Mr. Christian Rakovsky, Soviet Chargé d'Affaires in Great Britain, delivered a speech on Anglo-Soviet relations, the full text of which is given below:

Permit me to express my gratitude at the readiness with which you accepted the invitation of the Soviet Trade Delegation. Your presence here has a two-fold significance. It is not only an act of courtesy towards us, but it is a proof of the wide connections the Trade Delegation has succeeded in establishing among British business and industrial circles, and still more is it a sign of the confidence the Soviet Union has won in these circles.

Mutual Confidence

One often reads in the Press that the primary condition for the development of economic relations between our two countries is the establishment of mutual confidence. Now, the existence of this confidence is an established fact. You, who have done business with us during the last four years, can bear witness to the fact that the Soviet economic organizations have always carried out loyally and punctually all obligations incurred by them in their dealings with British industrial, commercial, and financial firms. We have been absolutely scrupulous in all our dealings. None of you here can deny this.

Anglo-Soviet Trade

However, our trading relations are not yet sufficiently developed. In comparison to the total volume of British trade Anglo-Soviet trade is still very small; in comparison to our own total volume of trade, it is indeed considerable, but even now it could be far more extensive were it not for a number of obstacles.

It is estimated that by the end of the present year (1924) the total trade turnover between the U. S. S. R. and Great Britain will have reached about £26,000,000—£27,000,000. During the first eight months, January 1 to September 1, the turnover was £21,500,00, of which £10,500,000 was

represented by our exports into Britain and £11,000,000 by our imports from Britain. But the value of the actual British manufactures imported by us from England was only £1,500,000. The rest was spent on the purchase of re-export goods, the chief of these being silver to the value of £6,000,000 for coinage by the Leningrad and London Mints, silver coin to a value of 20,000,000 rubles having been coined for us, as you know, in London. Such was our trade with and exports from Britain. I am by no means satisfied myself with such a volume of trade. We are reproached with utilizing much of the means we obtain from the sale of our exports into England in purchasing re-export goods. This is quite true, and such a state of affairs is as unsatisfactory to us as it is to you. Of course, you find it undesirable that our chief trading operations in Britain should be limited to the purchase of re-exports, whereby the only profit made by British merchants is the so-called trading profit. It would be far more profitable to you were we to buy British manufactures, as a result of which Britain would secure not only a trading but also an industrial profit; moreover this would tend to diminish unemployment here. At the same time, it is not advantageous to us that our purchases here should consist mainly of re-export goods. For what does this mean? It means that in spite of the fact that we need to re-equip our industry—that is, in spite of the fact that we require to import from Britain the means and instruments of production—we are nevertheless forced, owing to our shortage of means, to limit ourselves, in the main, to the purchase of raw materials instead of satisfying our real requirements. The present Anglo-Soviet trade turnover only indicates, therefore, our inability, but not our unwillingness, to buy British manufactures. It would also be a mistake to draw the conclusion that the development of our exports to Britain is disadvantageous to British industry and trade. Such a complaint would be just were we to export into Britain Soviet manufactures, which would compete on the British market with British manufactures. But you know that this is not the case, and that our exports to Britain consist of raw products and grain, which are essential to British industry, enabling it to reduce its cost of production. Last year we exported 8,500,000 tons of grain—a comparatively small quantity—but the presence of Soviet grain on the international, and in particular on the British market, exerted a favorable influence, and tended to lower the price of grain. This year you all feel the absence of our grain from the market. No one can deny that the high price of bread is due, partially, to our bad harvest.

The development of our exports to Britain can only help the development of British industry, and this all must desire. Consequently, we cannot be reproached with exporting more to Britain than we import from her. This is not in accordance

with the figures, but even if it were so, neither British trade nor industry would have reason to complain of Russian exports into Britain. On the contrary, the more raw material and grain we export into Britain the better it would be for British industry and business.

Obstacles in the Way of Anglo-Soviet Trade

When the British Press deals with this question, two reasons are given as hindering the development of trading relations: firstly, our monopoly of foreign trade; secondly, the still unsettled question of the claims of British bondholders of Tsarist debts and of former property holders. But there is a third reason, the absence of correct information regarding events in the U. S. S. R.

The Monopoly of Foreign Trade

It seems to me that the reasons for the existence of the monopoly of foreign trade are not properly understood in Great Britain. Why did the Soviet Government establish the monopoly of foreign trade? This was undoubtedly a result of our peculiar social structure of society. In a Socialist State, the central authority must control the chief branches of the national economy. Without such control, the State would be unable to direct the development of the economic life of the country in conformity with our fundamental laws. But there is another justification for the monopoly of foreign trade, namely, our limited purchasing power, the insufficiency of our exports, our poverty. It is impossible to make purchases abroad when one has not the means to pay for them. Such means we can obtain only as a result of our exports. We have no other external resources which could provide our Government with a sufficient quantity of foreign currency to cover imports from abroad. We are one of those countries which must have a favorable trade balance. But Britain is in an entirely different position. In addition to the receipts from your exports abroad, you have a number of other sources of income which do not figure in your trade balance, such as the profits derived from the capital you have invested abroad in loans and commercial and industrial enterprises; in addition you derive profits from your insurance societies and your merchant fleet. The profits derived from all these sources enable you not only to make good your unfavorable trade balance but to accumulate annually considerable free capital. We, however, are forced to rely solely on our exports: consequently our exports must always be made to exceed our imports in order that we may accumulate a small free sum of foreign currency for other State requirements, including the maintenance of the stability of our chervonetz. This rule underlies all our plans for foreign trade. Thus in the coming economic year (October 1, 1924, to October 1, 1925) we estimate that the value of the exports from the U. S. S. R. will be 500 million gold rubles, and that of the goods purchased abroad will be 380 to 400 million

rubles. It is better to buy less and to pay punctually than to buy a great deal and then to be unable to meet the obligations incurred.

We have no wish to copy the example of those countries which, after the war, bought up an enormous quantity of goods from Great Britain and elsewhere on credit, and when payment was due were found to be insolvent. We even know that the merchants of some of these countries made such purchases on credit at the instigation of their Governments, who regarded such transactions as one way of obtaining a foreign loan. In this way, they filled their storehouses with foreign goods and when the moment came to meet their obligations their Governments issued one-sided laws postponing payment for such goods for fifteen years. True no one called these Governments "Bolshevik" (*laughter*), but you will agree with me that transactions of this character, when the debtor himself, without reference to the creditors, gives himself a fifteen years' moratorium, are purely arbitrary, that they are little short of robbery. As for us, although the Soviet Government and Soviet economic organizations have refused to recognize the old Tsarist debts, they have met their own obligations with the utmost punctuality.

We are well aware of the fact that the monopoly of foreign trade has certain disadvantages. Trade is a living thing and if it is conducted by officials there is a danger that it may become bureaucratic—I repeat, we understand quite well this danger, and we endeavor, and to a certain extent we have already succeeded, to give our trade machinery the necessary flexibility and business capability without which it would be in danger of being overcome by bureaucracy. Moreover, bearing in mind that we trade with countries in which trade is in the hands of private individuals, we are also taking measures to adapt our methods to these conditions of the foreign market. The representatives of our trading enterprises such as Arcos, who are here tonight, can bear me out in the statement that our trading machinery has now actually acquired the necessary flexibility, rapidity of work and understanding of the conditions of the market. On the other hand, we are attracting foreign capital to participate in our commercial enterprises by forming various mixed companies, representatives of which are also present this evening.

In addition, again taking into account the condition of trade in foreign countries, we grant the right of consignment (despatching goods on approval) which enables any British citizen desiring to sell his goods in the U. S. S. R. to do so through our Foreign Trade Board. The latter receives a certain commission. Goods so sent to the U.S.S.R. and not sold are returned to their owner and no customs dues are payable on such unsold goods.

At the same time it should not be forgotten that the monopoly of foreign trade also has great advantages. Since the State bears the responsibility

for the trading operations of the Soviet economic organizations, English merchants buying from and selling to such organizations run no risk whatever. There could never be a case such as occurs in private trade, where a British wholesaler might lose his money because his client proved to be insolvent.

Tsarist Debts and Claims

I now pass to the second obstacle in the way of Anglo-Soviet trade. I think that here too there is nothing with which we can be reproached. We manifested the maximum of goodwill to solve this question satisfactorily in the interest both of British citizens and of the Soviet Union, although we do not consider ourselves formally bound by the obligations of the old Tsarist Government. In order that these disputed questions might be solved, we sent a delegation to London, which, after four months of difficult negotiations agreed to sign the well-known treaties with Britain in which the question of the old debts and nationalized property was solved. These treaties no longer exist. I shall not say anything more about them, for of the dead we must either say nothing or only emphasize the good, but so far as we are concerned, in signing these treaties, we went far to meet the desire of British financiers and business men to put an end to the material questions in dispute between us.

Information Regarding the U.S.S.R.

I shall now say a few words regarding the third obstacle hindering Anglo-Soviet trading relations, namely, the absence of correct information as to current events in the U. S. S. R. I must say frankly that British public opinion knows far more as to what is occurring in some relatively unimportant province in Central Africa than as to the real position of affairs in one of the greatest countries of the world. From the technical point of view the British press is second to none, but the information regarding the Soviet Union it publishes daily from Riga (*laughter*), Helsingfors, Bucharest, Warsaw is not information but mis-information. We read every day that the national economy of the U. S. S. R. is on the verge of a crash. That everything is going from bad to worse, that we are incapable of restoring either our agriculture or our industry. It is not my duty this evening to speak of the great progress made by the Soviet Union during the last three or four years in all branches of our national economy—in agriculture, industry, transport, and finance.

I consider that one of the problems of the London Anglo-Russian Chamber of Commerce should be precisely the spread of a true and accurate idea of the condition of the national economy of the U. S. S. R. among industrial, commercial, and financial circles.

In conclusion, I only wish to stress the fact that economically, our two countries supplement one another, that it is to our mutual interest to develop

our economic relations, and that we must do all that depends on us—by “us” I mean all those here tonight—to consolidate the economic relations between Great Britain and the U. S. S. R. The consolidation of our economic relations will assist us in solving political disputes which may crop up between the two Governments; it will tend to strengthen friendly political relations, and this will be in the interests of the economic restoration of Europe and the maintenance of peace.

Mr. Rabinovich on Anglo-Soviet Trade

On the occasion of the same dinner, Mr. P. Rabinovich, Managing Director of Arcos, Ltd., a company engaged in export and import trade between the Soviet Union and Great Britain, presented interesting data on Anglo-Soviet trade relations. The text of his speech is given below:

Our object in holding this dinner tonight is twofold, I might say threefold, namely, firstly to hold a dinner, secondly to make it annual, and thirdly to throw some light on the mystery which appears to surround our Anglo-Soviet trade. A number of newspapers, as you know, and among them, in particular, the *Daily Mail* and the *Morning Post* have been very stubbornly maintaining that no such thing as Anglo-Soviet trade exists, that, in fact, there only exists a large organization instituted for the purpose of carrying on agitation and propaganda, and that as far as actual trade is concerned, it is confined chiefly to dealings in contraband articles, and this by secret methods.

Thus, this very day there appears in the Paris edition of the *Daily Mail* a communication revealing the secret purchase by Arcos of 600 machine guns, and this evening a special leading article is devoted to the subject by the *Evening News*. I might, therefore, take this opportunity to point out that there has been no secrecy in the matter at all. It may be noted that the *Morning Post* in giving its report on this purchase went so far as to convert the river Neva into the river Volga, and made the secret steamships conveying these purchases break the ice (during the middle of April!) to enter the Leningrad harbor, and then to pass up the river Volga until they could take up their station before the Winter Palace. Well, this is one of those mysteries which has been carried through in the full light of day, for, as a matter of fact, those machine guns were bought in London in the middle of the day, they were paid for in the middle of the day, and they were despatched in the middle of the day, with the full knowledge and permission of the British Government.

Another example of the mystery that has been made about the trading operations carried on by our organizations here is to be found in the many reports and rumors that have recently been circulated as to the colossal dimensions of the organizations maintained here by the Soviet Government, of course, only for the purpose of agitation

and propaganda, and of the enormous number of Soviet subjects brought here for the purpose.

It may be worth while to give some exact figures on this subject. I have gone into the matter very carefully and I find that, on October 1, 1924, the whole of the comparatively large volume of trade that we are conducting in Great Britain has been carried on by a total staff of 860 persons, of whom quite a number are not directly concerned in trade operations but hold various official positions. Moreover, among these 860 persons comprising the trading apparatus of the Soviet State in this country, no less than 482 are actually British subjects, while only 378 are Russians. Thus, we have the assistance of a large number of British citizens in the conduct of Anglo-Soviet trade.

No one would say that the number of persons included in our trading organizations is excessive for the trade that is carried on. In fact, the number is, if anything, too small. It is not at all unlikely that we shall shortly find that our staff is inadequate and that the heads of our departments, most of whom are here tonight, who have a heavy burden already thrown on their shoulders will experience great difficulties in carrying out the tasks which they have to perform.

I will now pass to the real kernel of the whole mystery, to the actual figures of the volume and composition of our Anglo-Soviet trade during the last four years. The figures of imports into Great Britain from the U. S. S. R. and of exports from Great Britain into the U. S. S. R. as issued by the Board of Trade were as follows:

Anglo-Soviet Trade Turnover

Year	Imports into Great Britain from the U.S.S.R.	Exports from Great Britain into the U.S.S.R.	Re-exports from Great Britain into the U.S.S.R.
1913.....	£40,271,000	£18,103,000	£9,591,000
1921.....	2,695,000	2,181,000	1,210,000
1922.....	8,103,000	3,641,000	970,000
1923.....	9,266,000	2,492,000	1,989,000
1924 (Jan.-Aug.)	10,595,000	1,358,000	5,175,000
Total for the period 1921-24	£30,659,000	£9,672,000	£9,344,000

From these figures it is clear that during the last four years there has been a gradual and steady increase in the total volume of our trade, chiefly to be accounted for by the increasing value of the exports from the U. S. S. R. to Great Britain.

Imports into Great Britain from the U. S. S. R.

Year	Foodstuffs, etc.	Raw materials and semi-finished products	Manufactured articles	Total (including miscellaneous)
1921.....	£ 783,224	£1,745,971	£ 163,105	£2,692,300
1922.....	1,524,732	5,793,100	774,693	8,102,525
1923.....	1,662,570	6,293,185	1,309,012	9,264,767
1924 (Jan. Aug.)	3,410,226	4,624,294	2,560,463	10,594,983
Total....	£7,380,752	£18,456,550	£4,807,273	£30,644,575

There has been a steady increase of the export of all categories of Soviet goods (taking into account the fact that for 1924 figures are only available for the first eight months), while the increases are especially noticeable in the case of foodstuffs and, to a lesser extent, manufactures.

Turning to the composition of the goods exported from Great Britain to the U. S. S. R., these consisted for the most part of manufactured articles:

Exports from Great Britain to the U. S. S. R.

Year	Foodstuffs, etc.	Raw materials and semi-finished products	Manu- factured articles	Total (including miscel- laneous)
1921.....	£1,002,529	£ 235,819	£ 894,063	£2,181,007
1922.....	707,334	763,804	1,939,012	3,640,624
1923.....	22,453	718,750	1,698,232	2,491,650
1924 (Jan. Aug.)	64,895	55,469	1,230,859	1,357,783
Total....	£1,797,211	£1,773,842	£5,762,166	£9,671,064

These figures are very encouraging. They sufficiently prove that Anglo-Soviet trade does exist and that it is growing. In particular, the growth of exports from the Soviet Union is an indication of its progressive economic recovery and of its increasing importance in foreign trade. It is true that Soviet imports from Great Britain have not increased to quite the same extent, but it must be remembered that this is a consequence of the definite policy adopted by the Soviet Government of maintaining a favorable trade balance, a policy which has ensured the stability of the Soviet currency and against which no accusation can be levelled by any country which believes in the maintenance of a sound economic position. Moreover, the figures given of the value of exports from Great Britain to the U. S. S. R., so often pointed to as comparatively insignificant, do not really give an indication of the volume of the Soviet import trade conducted through Great Britain. In the first place, the value of re-exports from Great Britain to the U. S. S. R. has been steadily increasing.

Re-exports from Great Britain to the U. S. S. R.

Year	Foodstuffs, etc.	Raw materials and semi-finished products	Manu- factured articles	Total (including miscel- laneous)
1921.....	£1,092,801	£ 20,140	£ 97,342	£1,210,283
1922.....	534,534	222,107	213,762	970,403
1923.....	162,740	1,444,254	382,482	1,989,476
1924 (Jan. Aug.)	227,265	4,368,887	578,437	5,174,589
Total....	£2,017,340	£6,055,388	£1,272,023	£9,344,751

In the second place, an important item this year has been the purchase of silver coin minted in Great Britain, to the value of over £5,000,000. These two items together, the re-exports and silver purchase, add an additional £11,000,000 to the

value of the Soviet imports from Great Britain as given in the ordinary trade statistics.

What are the organizations engaged in the operations which constitute the total volume of trade as revealed in the statistics we have given? The primary place is occupied by the company, Arcos, Ltd., registered in Great Britain. This company was founded in July, 1920, with a capital stock of £15,000. Its capital stock has now been increased to £1,000,000, and its trade operations have correspondingly grown, as is evident from the following figures:

Trade Turnover of Arcos, Ltd.

Year	Sales	Purchases	Total turnover
1920.....	£ 2,809,641	£ 2,809,641	£ 2,809,641
1921.....	£ 1,765,287	7,281,258	9,046,546
1922.....	4,942,245	8,981,874	13,927,119
1923.....	5,618,705	4,137,807	9,756,512
1924 (Jan.-Aug.)	2,276,147	7,396,536	9,672,683
Total.....	£14,602,384	£30,607,116	£45,209,501

This figure shows that the total sale and purchase turnover of Arcos from its foundation up to September 1, 1924, has amounted to over £45,000,000. Arcos has been responsible for 75 to 85 per cent. of all the purchases made by the U. S. S. R. in Great Britain.

Since 1921 a number of special organizations have established themselves here for dealing with trade operations of a particular kind, such, for instance, as the Arcos Bank, "Centrosoyuz," the Moscow People's Bank, Ltd., the Arcos Steamship Company, the Russian Wood Agency, the "Dobroflot," the "Azneft" and "Grozneft," the Oil Syndicate, "Selosoyuz," "Kniga" Ltd., etc. An interesting example is one of the latest formed of these bodies, viz., Russian Oil Products, Ltd., a company founded on July 15, 1924, with a capital stock of £100,000. The value of goods in transit and of cash from July 15 to October 1 amounted to £300,000.

Another example is the book company, "Kniga," Ltd., the turnover of which, between November 1, 1923, and December 1, 1924, amounted to £25,000. Its capital stock was only £3,000.

Very successful, also, have been the so-called mixed companies, founded with both British and Soviet capital, such as the Russo-British Grain Export Company. This company was founded on October 15, 1923, with a capital of £100,000, half of which was provided by the Soviet side and half by the British side.

Between November 1, 1923, and July 1, 1924, this company sold wheat, rye, corn, and other grain products to the value of £1,750,542. The net profit made by the company was £18,139. During the first five months of 1924 alone, grain was sold to an amount exceeding 160,000 tons, and of a value of £1,400,000.

I should now like to say a few words about two of our financial institutions: the Arcos Banking Corporation, Ltd., and the Arcos Insurance Office. The first—the Arcos Banking Corporation—was established only fifteen months ago with a capital of £250,000. Yet, in spite of the smallness of its capital and the short period of its existence, the Bank has shown a remarkable activity. Taking the figures for the first nine months of 1924, we see that the total turnover in the current and correspondents' accounts amounts in round figures to £81,000,000 as against £31,000,000 for six months of last year. Bills and documents received for collection amounted during the same period to £11,500,000 in comparison with a little less than £4,000,000 for the six months of the previous year. Drafts and transfers to the U. S. S. R. amounted to 850,000 chervontzi, £1,923,000, and \$205,000. Turning to the credits opened to the Bank's clients in furtherance of their export and import operations, we find the imposing figure of nearly £17,000,000. It is obvious that with the increase of the Bank's capital and the growth of confidence in Anglo-Soviet trade this side of the Bank's activity will attain still more considerable dimensions.

To conclude my review of the Soviet institutions in London I will say one word about the Arcos

Insurance Office. Briefly, during the ten months of this year the insurance effected amounted, as regards value insured, to £56,000,000, and the premium paid amounted to £205,000. The corresponding figures for the twelve months of 1923 were 42,700,000 pounds sterling and 155,000 pounds sterling.

Gentlemen, from the facts and figures I have quoted tonight you can judge yourselves how much reliance may be put on the statements about our activities which are made by the opponents of Anglo-Soviet friendship. Yet our trading activities are only the beginning of what I feel sure will be a great and constantly growing trade which will flow between the two countries, once it is led into the normal channel of mutual interest and mutual confidence. It is the object of the Trade Delegation of the U. S. S. R. in Great Britain to obtain such a development of Anglo-Soviet trade and to establish the most intimate and friendly contact with the business circles of this country. As soon as the British traders accept the existence of Soviet Russia as she is at the present time, and abandon their dreams of Russia as she was in the old, pre-revolutionary past, I feel perfectly certain the British business men will find in the countries united into the Soviet Union a tremendous field for interesting and profitable work.

Domestic Trade Turnover in 1923-24

THE compilation of data recently completed by the Central Statistical Division of the State Economic Administration attached to the Supreme Council of National Economy, covering the movement of sales during the fiscal year 1923-24 for 162 economic combinations connected with the Supreme Council of National Economy (of which 150 are producing combinations and

12 syndicates—the latter being large combinations of industrial enterprises, taking care of the commercial end of these enterprises) portrays the following situation in the trend of the trading turnovers of the Supreme Council of National Economy as compared with the course of the turnovers for the Moscow Trade Exchange and 70 provincial exchanges:

Quarters of 1923-24	Sales through 162 combinations connected with the S. C. of N. E.	Transactions effected through Moscow Trade Exchange	Sales through 70 Provincial Exchanges
	In gold rubles		
1st quarter (Oct.-Dec. 1923):			
In absolute figures.....	252,390,000	304,860,000	252,800,000
2nd quarter (Jan.-Mar. 1924):			
In absolute figures.....	331,174,000	435,763,000	328,300,000
Percentage relation to 1st quarter.....	131.4	142.9	129.9
3rd quarter (Apr.-June 1924):			
In absolute figures.....	322,687,000	346,786,000	365,500,000
Percentage relation to 1st quarter.....	128.0	113.8	144.6
Percentage relation to 2nd quarter.....	97.5	79.5	113.3
4th quarter (June-Sept. 1924):			
In absolute figures.....	369,467,000	467,426,000	507,354,000
Percentage relation to 1st quarter.....	146.6	153.3	200.5
Percentage relation to 3rd quarter.....	114.4	134.7	138.6
Total for whole year.....	1,275,718,000	1,554,835,000	1,453,954,000

The figures cited show that the turnovers of the 162 combinations controlled by the Supreme Council of National Economy, of the Moscow

Trade Exchange and of the 70 provincial exchanges fluctuated parallel to one another during the course of 1923-24.

The first quarter (October-December, 1923) was the period during which the country was gradually overcoming the sales crisis which is still well remembered and which was felt with particular severity in October of 1923. From November on the trade turnovers began to rise, and the second quarter (January-March, 1924) already showed a considerable turnover advance; in comparison with the preceding quarter the turnover of the 162 economic combinations connected with the Supreme Council of National Economy grew more than 31 per cent, the turnover of the provincial exchanges increased by almost the same percentage, while the turnover of the Moscow Trade Exchange rose still faster—by 42.9 per cent.

The third quarter (April-June, 1924) showed a halt in the forward movement of the trade turnovers. The turnover of the Moscow Trade Exchange fell 20 per cent as against the previous quarter, the sales transactions of the 162 above mentioned combinations remained almost at the level of the prior quarter, and only the turnover of the 70 provincial exchanges continued to expand, revealing a growth of 13 per cent.

The cause of this stoppage is to be found in the difficulties which the introduction of the monetary reform carried with it (small change crisis, tightening of credits, etc.). The final quarter (July-September, 1924) again provides a powerful turnover rise: the turnover of the Moscow Trade Exchange increased by 35 per cent, the turnover of the 70 provincial exchanges displayed a still more intensive growth—39 per cent, while the turnover of the Supreme Economic Council advanced somewhat more weakly—14 per cent.

The conversion of the chervonets turnovers into pre-war rubles* (according to the wholesale price index of the State Planning Commission) scarcely alters the picture of the course of the trading turnovers through the various quarters of the fiscal year.

If the turnovers for the closing quarter of the fiscal year 1923-24 are compared with the turnovers for the opening quarter, it is seen that the turnovers of the 162 combinations connected with the Supreme Council of National Economy and of the Moscow Trade Exchange attained a growth of one and a half times during the course of the year, while the turnover of the 70 provincial exchanges doubled during the same period.

* Before the war the purchasing power of the gold ruble was somewhat higher than at present.

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The Vegetable Oil Industry

THE products of the vegetable oil industry of the Soviet Union are the following oils: sunflower oil, linseed oil, hemp-seed oil, cotton-seed oil, coconut oil, rübsen oil, rape oil, castor oil, sesame oil, cameline oil (German sesame oil), mustard oil, poppy oil.

The following table will give an idea of the proportions of the manufacture of the various kinds of oils in 1913:

Output of Oils in 1913

	<i>Poods</i>
Sunflower oil	10,977,600
Cotton-seed oil	3,780,000
Linseed oil	6,628,300
Hemp-seed oil	3,669,400
Coconut oil	2,481,000
Rape oil and rübsen oil.....	1,100,000
Castor oil	286,500
Sesame oil	70,500
Mustard oil, cameline (German sesame) oil, and poppy oil.....	1,300,000
Total	30,293,300

The greater part of the vegetable oils (60 to 70 per cent) was used in the preparation of food-stuffs; however, these oils also are very important for their uses in industry, for example: linseed oil and hemp-seed oil are used in the preparation of varnishes, lacquers, and oil colors; castor oil and almond oil are used for medicinal purposes; in the rubber industry, for manufacturing substitutes for rubber and in the production of linoleum and wax cloth, linseed oil is used to the extent of 15 per cent of the entire production, and hemp-seed oil to the extent of 5 per cent. In the textile and leather industries castor oil and sunflower oil were used; for the lubrication of machinery, castor oil was used in the pure form, while cotton-seed oil, rape oil and, to a certain extent, sunflower oil, were used in combination with mineral oils; finally, for the preparation of artists' colors, poppy oil was used; while cotton-seed oil and rape oil were used for the manufacture of image lamp oil.

The vegetable oils are extremely important in the soap-boiling industry. Thus, coconut oil was used almost entirely for this purpose, while cotton-seed oil and sunflower oil were added to the solid fats in certain proportions.

In 1909, hydrogenated vegetable oils, i.e., oils having the consistency of solids, began to appear on the Russian market. In 1914, Russia already had five great hydrogenating factories, converting cotton-seed oil and sunflower oil into solid fats (artificial tallow, "salolin," "salomas," etc.).

Owing to the application of the hydrogenating method, it became possible to make use of the hydrogenated vegetable oils in the soap-boiling industry as a substitute for the Australian tallow, which had previously been imported from

abroad to the amount of about 4,000,000 poods, and in this way to make the Russian soap-boiling industry almost independent of foreign raw materials (except coconut oil, obtained from copra, a product of tropical countries).

A considerable quantity of vegetable oils was exported abroad.

Export of Vegetable Oils in 1913

	<i>Poods</i>
Sunflower oil	243,000
Linseed oil	26,000
Hemp-seed oil	6,000
Aniseed oil	2,000
Mustard oil	3,000
Other vegetable oils	193,000
Total	473,000

The volume of these exports was subject to considerable fluctuation, moving approximately between 185,000 and 550,000 poods per annum.

Oil seeds were exported abroad in considerably greater quantities than the oils themselves.

Export of Oil Seeds in 1913

	<i>Poods</i>
Sunflower seed.....	8,634,000
Linseed.....	6,651,000
Hemp-seed.....	1,322,000
Rape, rübsen seed, etc.....	3,659,000
Total	15,266,000

The volume of exports of oil seeds fluctuated within the limits of 9,000,000 and 30,000,000 poods per annum.

If the average yield of vegetable oils is estimated as 23 per cent, the quantity of fats exported from Russia in the form of seeds is equal to 3,511,000 poods. Consequently the total export of fats from Russia for the year 1913 was equal to 3,987,000 poods.

One of the by-products in the vegetable oil industry is oil-cake, an excellent concentrated fodder for cattle. Incidentally, owing to the fact that the population is ignorant of and unused to the methods of feeding the cattle with oil-cake, almost all of the latter was exported abroad, where it found an excellent sale. In 1913 44,862,000 poods of oil-cake were exported. Abroad, the oil-cake is finally deprived of its fat by an extracting process, before it goes to the mill and to its use as fodder.

Estimating the entire value of these exports in pre-war rubles, the following sums were obtained for the year 1919:

	<i>Gold Rubles</i>
Vegetable oils	2,350,000
Oil seeds	17,585,700
Oil-cake	28,440,000
Total	48,375,700

Those vegetable oils for which the raw materials were not cultivated in Russia, were imported from abroad. The volume of these imports for 1913 is shown in the following figures:

Imports of Vegetable Oils into the U.S.S.R.

	<i>Poods</i>
Olive oil and wood oil.....	302,000
Castor oil, coconut oil, sesame oil and palm oil..	217,000
Bean oil	250,000
Other vegetable oils.....	342,000
Total	1,111,000

In these imports some varieties were brought in only in the form of oils, others both as oils and seeds, and still others as seeds only. Thus copra was imported to the extent of 4,000,000 poods, olives to the extent of 500,000 to 600,000 poods, and cotton-seeds from 1,600,000 to 2,300,000 poods.

The revolutionary period had a very serious effect on the vegetable oil industry, the situation of which began considerably to decline in the year 1918. The extent of the cultivation of oil producing plants, particularly in the northern region, was considerably curtailed, since the peasants, owing to the insufficiency of foodstuffs, turned to the production of grain. The civil war, which separated the South, Siberia and the Caucasus from Soviet Russia, still further reduced the resources of the Republic in raw materials.

Toward the end of 1918 the Chief Vegetable Oils Committee ("Glavrasmaslo") was formed, to which was entrusted the difficult task of supplying the Red Army and the starving population with fats.

The production of oils for the period 1918-1920 is shown in the following figures, given in poods, for the fiscal years 1918-19 and 1919-20:

	1918-1919	1919-1920
Sunflower oil	2,072,600	648,200
Cotton-seed oil	1,325,300	226,700
Linseed oil	451,100	268,500
Hemp-seed oil	92,800	96,800
Various oils	52,200	2,600
Total	3,994,000	1,242,800

As may be seen from the above, the production of oils was decreased by more than two-thirds during this short period, and as compared with the production in 1913 (30,293,300 poods), it went down to about one-thirtieth of the pre-war production.

In the season of 1918-1919, 136 factories were at work, while in the season of 1919-1920 there were only 97 such factories, of a total of 263 factories that had been nationalized in Soviet Russia (not including Ukraine). Of these factories, many worked only a few weeks in the year.

In 1920-21 the condition of the vegetable oil industry grew still worse.

This situation does not begin to improve until the year 1922, which serves as a turning point for this industry. In the course of 1921-22 2,024,000 poods were produced.

The process of combining the various State vegetable oil factories, which had begun in 1922, continued during 1923.

During the course of the latter year, the vegetable oil industry presents the following situation: The State oil producing factories were formed into 13 special vegetable oil trusts and, in addition, also constituted a part of certain organizations of the mixed type (foodstuff trusts, combines). These included altogether 129 factories, capable of working 46,000,000 poods of oil-seeds on their 627 presses. (It may now be estimated that there have remained in good working condition as many as 242 vegetable oil factories, with 1,046 presses, and an annual capacity of as much as 63,000,000 poods.)

During the fiscal year of 1922-23, there were 93 State vegetable oil factories at work, yielding a production for the year of 5,289,687 poods of vegetable oils, which amounts to about 20 per cent of the output for 1913. About 100 factories are being held in reserve.

The output of these factories is distributed as follows among the various types of oils:

	1922-23 Poods	Percentage relation to output of 1913
Sunflower oil	3,326,301	about 30 per cent
Linseed oil	1,322,313	about 17 per cent
Hemp-seed oil	363,049	about 10 per cent
Rübsen oil	6,767	about 10 per cent
Mustard oil	36,399	
Various oils	234,858	
Total for vegetable oils...	5,289,687	about 20 per cent
Various oil-cakes	10,363,044	about 30 per cent

The work of the vegetable oil industry, making use of agricultural raw materials, is directly dependent on the situation of the oil-plant cultivation, and therefore the improvement that has been observed in the vegetable oil industry in 1922-23 may be considered as a consequence of the increased gathering of oil seeds in these years.

In 1921 the area sown to oil plants began to increase somewhat. But the total harvest of such products declined to an even lower figure, representing the minimum for the entire five-year period beginning with 1917 and ending with 1921. After a total harvest of oil plants amounting to 25,000,000 poods in 1921 (about 15 per cent of the 1913 harvest), the following year, 1922, showed positive accomplishments in the harvest of seeds, namely, about 65,000,000 poods (about 40 per cent of the 1913 harvest). A turning point in the situation of the raw material supply had been reached, as was shown in the considerable increase in the supply of raw materials to the State vegetable oil industry, obtained

both through the tax in kind and through purchases.

The financial situation of this branch of industry is far from being satisfactory. Several times the insufficiency of the Soviet Union's resources for developing the vegetable oil industry have been discussed in the All-Russian Congresses of the Vegetable Oil Industry, at which it was pointed out that it was impossible to secure within the country the working capital necessary for a satisfactory development of the industry. This development, with all the tremendous opportunities it offers, would be greatly stimulated by the participation of foreign capital.

Grain Farming in the U.S.S.R.

THE average annual gross crop of grains* on the present territories of the U.S.S.R. (not including the independent republics formerly within the Empire) in the pre-war period (1909-1913) may be expressed by the figures shown below:

	Poods	Bushels
Rye.....	1,289,000,000	937,000,000
Wheat.....	1,315,000,000	897,000,000
Oats.....	897,000,000	1,025,000,000
Barley.....	635,000,000	552,000,000
Millet.....	157,000,000	125,000,000
Buckwheat.....	69,000,000	60,000,000
Corn.....	133,000,000	115,000,000
Total.....	4,495,000,000	3,691,000,000

This total was distributed as follows under the head of internal consumption and exports:

	Internal consumption Bushels	Export Bushels	Percentage of exports as compared with total crop
Rye.....	902,000,000	35,000,000	3.7
Wheat.....	698,000,000	179,000,000	20.4
Oats.....	949,000,000	76,000,000	7.4
Barley.....	354,000,000	198,000,000	35.5
Millet.....	123,500,000	1,500,000	1.2
Buckwheat.....	57,000,000	3,000,000	5.0
Corn.....	75,000,000	40,000,000	34.8
Total.....	3,158,500,000	532,500,000	14.4

In the pre-war period Russia was the principal supplier of grain for the world market. She supplied about 20 per cent of all the wheat dealt in on the world market and about 70 per cent of all the barley. Next to Russia followed in order the United States, Canada, and Argentina.

With the beginning of the World War, the grain production of Russia began to fall off, and the export of grain abroad fell off at the same time. Russia's production and export of grain in 1917, after three years' participation in the war, are shown by the following figures:

*This is the second instalment of a paper read by Mr. Pavlov, Agricultural Specialist of the Official Agency of the U.S.S.R. in Canada, before a meeting of the Eastern Ontario Branch of the Canadian Society of Technical Agriculturists, Ottawa, December 5, 1924. The first instalment was printed in the preceding issue of the *Russian Review*. The final instalment will be published in the next issue.

	Total crop		Export		Percentage of exports as compared with total crop
	Poods	Bushels	Poods	Bushels	
Rye.....	1,120,000,000	814,500,000	.....	.....	.....
Wheat.....	815,000,000	562,000,000	12,000,000	8,000,000	14.0
Oats.....	797,000,000	911,000,000	.....	.....	.....
Barley.....	435,000,000	378,000,000	2,000,000	1,700,000	0.5
Millet.....	140,000,000	112,000,000	.....	.....	.....
Buckwheat.....	67,000,000	58,000,000	.....	.....	.....
Corn.....	128,000,000	111,000,000	.....	.....	.....
Total.....	3,502,000,000	2,946,000,000	14,000,000	9,700,000	0.3
Percentage as compared with 1913..		79.8		1.8	

Thus the total grain crop in Russia in 1917 already amounted to but 79.8 per cent of the pre-war figure, while exports were only 1.8 per cent of the pre-war shipments, that is, they had practically stopped by the beginning of the Revolution.

During the civil war the production of grain continued to fall off, and exportation stopped after 1917. Moreover, during 1921, in consequence of the terrible drought, which affected one-fourth of the sown area of Russia, a great

quantity of grain had to be imported, 46 million poods, or about 37 million bushels, being brought into the country.

The year 1922 was the turning point. The harvest of this year, notwithstanding the great decrease in sown area, was found to be quantitatively fairly high, which permitted not only the satisfaction of the demands of interior consumption, but also, after a four-year interruption, the resumption of export. The figures for the harvest and export for 1922 are as follows:

	Total crop		Exports		Percentage of exports as compared with total crop
	Poods	Bushels	Poods	Bushels	
Rye.....	1,223,000,000	890,000,000	60,000,000	44,000,000	4.9
Wheat.....	544,000,000	358,000,000	22,000,000	15,000,000	4.1
Oats.....	507,000,000	579,000,000	5,000,000	6,000,000	1.0
Barley.....	248,000,000	215,000,000	10,000,000	9,000,000	3.6
Buckwheat.....	85,000,000	74,000,000	.....	.....	.....
Millet.....	262,000,000	209,000,000	.....	.....	.....
Corn.....	168,000,000	149,000,000	.....	.....	.....
Total.....	3,037,000,000	2,474,000,000	97,000,000	74,000,000	3.0

When compared to the pre-war production the gross production for 1922 amounted to 66 per cent, whereas the sown area was only 54 per cent. Exports for this year were 3 per cent of the whole harvest. Export was possible because the quantity of cattle was 66 per cent of the pre-war total, which greatly decreased the demand for fodder grains, and beside this, during the time of the war and the revolution, the production of potatoes and vegetables was greatly increased, replac-

ing a large percentage of grain for human food and animal fodder.

The subsequent year, 1923, the yield per acre of grain was somewhat less, but as the sown area had increased by 1923, the total grain crop was greater than in 1922. Exports increased at the same time. The general gross production and exports for that year (1923), according to preliminary figures lately received, are estimated as follows:

	Gross crop		Export		Percentage of exports as compared with total crop
	Poods	Bushels	Poods	Bushels	
Rye.....	1,158,000,000	842,000,000	96,000,000	70,000,000	8.3
Wheat.....	635,000,000	424,000,000	45,000,000	29,000,000	6.8
Oats.....	576,000,000	658,000,000	8,000,000	9,000,000	1.3
Barley.....	322,000,000	280,000,000	20,000,000	17,000,000	6.0
Buckwheat.....	87,000,000	76,000,000	3,000,000	2,500,000	3.3
Millet.....	220,000,000	176,000,000	.....	.....	.....
Corn.....	134,000,000	119,000,000	5,000,000	4,000,000	3.3
Total.....	3,132,000,000	2,575,000,000	177,000,000	131,500,000	5.1

The crop of 1923 exceeded the crop of 1922 by 95,000,000 bushels. The exports from the crop of 1923 increased by 56,000,000 bushels as compared with the previous year and reached a total of 131,500,000 bushels, which is 5.1 per cent of

the total crop. The remaining surplus was used for the needs of the rapidly increasing herds of stock. In addition to this, there was a surplus in the hands of the population at the time of harvesting the crop of 1924 somewhat greater

than that of previous years. In July, 1924, this surplus was estimated to be 150 to 170 million poods (120 to 130 million bushels).

The crop for 1924, according to estimates made in June, was expected to be an average one. The minimum production of all grain crops was expected to be 3,200,000,000 to 3,300,000,000 poods, or 2,600,000,000 to 2,700,000,000 bushels. The increase over the crop of 1923 was estimated at 100,000,000 to 150,000,000 poods, or from 80,000,000 to 110,000,000 bushels. However, the drought in July affecting the Southeastern portion of the European part of the U.S.S.R. greatly decreased the crop. Twelve grain-producing provinces were affected by the drought, of which six provinces suffered severely. The gross crop of grain in the whole U.S.S.R., in consequence of the drought, was decreased by 500,000,000 poods. The actual crop for 1924 is estimated to be 2,700,000,000 poods, so that together with the surplus of the previous year the total grain resources of the U.S.S.R. amount to 2,850,000,000 poods, or 2,350,000,000 bushels.

In connection with these events, the foreign press has repeatedly reported a new famine in the U.S.S.R. These reports do not conform to the actual facts.

It cannot be gainsaid that the crop failure in those districts where the results of the crop failure in 1921 are still being felt, necessitates considerable relief from the Government for the sufferers. But the U.S.S.R. is in possession of sufficient grain resources to render this relief, and it is being rendered where necessary. For the satisfaction of the needs of the sufferers, 80,000,000 poods of grain are required. This quantity is covered by the surplus of other regions without difficulty.

As regards grain exports, in view of this crop failure, the Government of the U.S.S.R. is approaching the problem with great care. Before the drought of July, the exportable surplus from the crop of 1924 was estimated to be 400,000,000 poods (about 320,000,000 bushels). In connection with the crop failure, at the present time, attention is being centered on the satisfaction of domestic demands. Only after the domestic market has been satisfied, will the surplus be designated for export. At the present time, the amount for possible export has not yet been definitely determined.*

Grain elevators in Russia began to be built just before the war. During the war and the revolution, construction was not continued. For this reason, the number of elevators is inconsiderable, the majority of marketable grain is handled in bags.

*Grain exports have been completely discontinued as pointed out in the speech of Mr. Rykov, chairman of the Council of Peoples' Commissars of the Soviet Union, which was printed in No. 1 of the *Russian Review*.—Ed. R. R.

In 1924 five terminal elevators were working at ports, with a total capacity of 12 million poods, or 10 million bushels, and 91 interior elevators with a capacity of 48 million poods, or 35 million bushels. All elevators are under the control of the State Bank. At the present time steps are being taken to extend the chain of elevators, a special commission on elevators having been appointed by the Council of Labor and Defence, which, in addition to governmental organizations, has invited the participation of peasants' cooperative organizations. In 1924 a large new elevator was under construction at the port of Nikolayev.

The principal ports through which grain is handled for foreign markets are Odessa, Nikolayev, Novorossiysk and Kherson on the Black Sea, Taganrog on the Sea of Azov, and Leningrad on the Baltic.

The principal purchasers of grain in 1923 were Germany, Turkey, Finland, Esthonia, Latvia and Holland. In 1924 a considerable quantity was sold to France, Denmark, Norway and Italy.

From the beginning of the Revolution foreign trade was declared as State monopoly. The planning and regulation of all foreign trade was entrusted to the People's Commissariat for Foreign Trade. Under the control of this Commissariat, foreign trade is also being carried on by cooperative organizations (such as "Centrosoyuz," "Selskosoyuz" and others) in addition to Government organizations. Domestic trade is conducted not only by Governmental and cooperative organizations, but also by private capital which is engaged mainly in the retail trade.

Such, in general, is the situation as regards the grain production of the U.S.S.R. for the last decade. From the beginning of the Great War until the end of the civil war in 1922, it steadily and rapidly decreased. The year 1922 was the turning point. After 1922 a revival was shown, and notwithstanding the short interval of only two years, considerable results have been attained: the sown area increased from 54 per cent to 82 per cent of the pre-war area, and in 1927 it is expected that the whole pre-war area will be sown. At the same time the foundations are being laid for increased yields, the results of which will only be seen in a year or two. In 1928 the grain production of the U.S.S.R. is expected to be 100 per cent of the pre-war production.

Further prospects in the U.S.S.R. for agriculture and in particular for grain culture are enormous. One-half of the black earth region has not yet been cultivated, to say nothing of other regions. On the other hand, there is a numerous agricultural population, which totals 80 per cent of the whole population of the country.

However, after the revolution, the position of the U.S.S.R. as a supplier of agricultural produce

on the international market has been considerably changed. Before the war, extensive grain farming prevailed in Russia. After the revolution this has to be changed for a more intensive stock raising system of farming, transferring the center of gravity on the world market to animal products and products of special cultivation. The new system will involve a greater domestic consumption of grain.

The final instalment on "Special Crops" will be published in the next issue.

Far Eastern and Northern Transport

MR. SEREBRYAKOV, a member of the Collegium of the People's Commissariat for Transport, who returned some time ago from Harbin, discussing the question of the Chinese Eastern Railway, stated that the road was taken over by the Soviet Union in the course of a single day (Oct. 3), with a promptness that is rare in China. The regular work of the road was not interrupted for a single minute. The road was taken over with a considerable indebtedness—about 11,000,000 gold rubles—on which indebtedness it had been necessary to pay 18 per cent annually, which had put the road in a very tight financial position. However, after a short time it was possible to lighten the financial position of the road considerably, by abandoning superfluous unproductive expenses, and by lowering the rate of interest on the indebtedness from 18 to 10 per cent.

Mr. Serebryakov emphasized that the technical condition of the road is completely satisfactory, and that exports this year have exceeded all other years, and will set a record.

With the neighboring South Manchurian (Japanese) Railroad and the Ussuri (Russian), it will be possible to maintain mutually friendly relations, which will be of advantage to the Russian port of Vladivostok. For reviving the seaport at that place a number of facilities are at present being introduced, both for exports and imports.

With China, according to Mr. Serebryakov, the Soviet Union has established the most friendly relations, not only in the matter of a joint management of the Chinese Eastern Railway, but also in other spheres of work. In the management of the Chinese Eastern Railway all questions are being decided unanimously. Mr. Serebryakov is convinced that in the further progress of the joint work of the U. S. S. R. and China, there will be similar unanimity and agreement. The work on the railroad has been going on from the very first day in a spirit of friendliness and agreement between all those concerned, high officials as well as low. Practically every employee without exception has become a Soviet citizen, and all are imbued with the desire to work for the development of the economic importance of the railroad.

Facilities of the Port of Vladivostok

The agreement of the U. S. S. R. with the Chinese Republic on the subject of the Chinese Eastern Railway has strengthened the friendly economic relations between the Soviet Province of the Far East and Northern Manchuria.

In view of the fact that the natural outlet to ocean routes for the agricultural products of Northern Manchuria is the port of Vladivostok, which is also the natural inlet for imports destined to Manchuria—the Far Eastern Revolutionary Committee, with a view to eliminating all the obstacles that might stand in the way of Manchurian exports and imports destined for Egersheld, has instructed the respective departments of the People's Commissariats to carry out at once the following measures:

To facilitate the conditions for obtaining licenses for transit cargoes proceeding by way of Egersheld into Manchuria, as well as for cargoes in the opposite direction.

To grant the owners of such cargoes the right to dispose of them as soon as they arrive in Soviet waters and in the territory of the port.

To reduce the customs formalities with regard to transit cargoes in both directions, not only within the territory of the port, but also in the customs houses of the interior.

To simplify and lighten the system of supplying visas for the arrival and departure of foreigners and Soviet citizens, engaged in activities connected with work concerned with the Manchurian transit trade.

To organize in Vladivostok a Grain Export and Freight Exchange and to include among its members and among the organs of its management the representatives of all the industries and persons engaged in transit operations.

To introduce a number of measures with regard to the further extension of the forwarding capacity of the port and its equipment.

To regulate the work of loading and unloading cargoes.

Simultaneously, going beyond the measures above indicated, the Far Eastern Revolutionary Committee has filed a petition with the legislative organs of the U. S. S. R., asking for very considerable exemptions as to duty for transit cargoes forwarded through Egersheld into Manchuria and in the opposite direction.

The Murmansk Railroad

The Murmansk Railroad was built under the Tsar during the war, and as a result of the disturbances provoked by "White" adventurers in Karelia, and of English management it returned to Russian hands in a half destroyed condition. It required two years of unremitting labor to raise the road out of its ruinous state and achieve a definite operating efficiency.

From 28 per cent in 1923 the percentage of incapacitated locomotives was reduced to 25 in 1924. The working force was decreased from 14,000 to 11,800 men. In round figures the road's total revenue increased from 5,500,00 to 9,500,000 gold rubles. The railroad was supplied with the necessary materials to the extent of 70 per cent (as against 40 per cent during the previous year). A considerable increase of traffic efficiency was attained. The assigned construction program is being executed according to plan and on time. Traffic on the road is growing, especially in the northern sections.

With regard to colonizing activities, in 1923 five settlements were formed with 114 families, while in 1924 this work went forward on a much

larger scale. Work was finished on the improvement of 1,000 dessiatins of arable land and 800,000 dessiatins of forest land were made ready for exploitation. Important success was achieved in the financial phase of the business. Whereas in the year 1922 subsidies to the road constituted 75 per cent of monthly expenditures, and 23 per cent in March of 1923, on July 1, 1924, the railroad's revenues were already balancing the expenditures.

Apart from its colonizing importance, in the future the road may develop into a large freight trunk line; an indication of this is its transportation of 12,000,000 poods of various freight, including 8,000,000 poods of cotton and 3,000,000 poods of grain.

Foreign Relations of the U. S. S. R.

ON DECEMBER 22, Mr. Rakovsky, Chargé d'Affaires of the Soviet Government in England, sent the following note* to Mr. Chamberlain, British Minister of Foreign Affairs:

"During the session of the House of Commons of December 10, 1924, the Minister of Foreign Affairs declared that the proofs of the genuineness of the document which is considered as the 'Zinoviev letter' cannot be produced openly in view of the safety of the persons who delivered the document to the British Government. In the interest of truth, and in order to collaborate in clearing up this affair, which played such an important part in the relations between England and the Soviet Government, Mr. Tchitcherin, People's Commissar for Foreign Affairs, instructed me to declare that the Soviet Government is ready to guarantee the unhampered departure of the above-mentioned person from the territory of the Soviet Union."

Mr. Chamberlain's Note to Mr. Rakovsky

On December 24, 1924, Mr. Chamberlain sent the following reply* to Mr. Rakovsky:

"I received your note of December 22 in which you refer again to the letter addressed by Mr. Zinoviev to the Communist Party of England on September 15 of the current year.

"The Government of His Majesty has nothing to add to the note addressed to you on November 21 in which this question was considered from every point of view."

Mr. Rakovsky's Answer

On January 2, 1925, Mr. Rakovsky addressed the following note to Mr. Chamberlain:

"In reply to your communication of December 24, I am instructed by my Government to state that the British Government in refusing to accept the offer made by the Soviet Union Government

to submit to arbitration the question of the origin of the forged Zinoviev letter has thereby confirmed its impossibility to prove the accusation made in connection with this letter. In view of the above the Soviet Government considers correspondence on the subject as closed."

Mr. Tchitcherin, on the Attitude of the British Government

In a conversation with the representatives of the press, regarding the exchange of notes between the Soviet Government and the British Government, Mr. Tchitcherin made the following statement:

"As is well known, Mr. Chamberlain began his diplomatic relations with our diplomatic mission with two notes, one of which contained brief information as to the rejection by the Government of the Treaties of August 8, while the second emphatically reaffirmed the genuineness of the forged 'Zinoviev letter' drawing therefrom extremely unfavorable conclusions as to Anglo-Soviet relations. A reply to this was given by us in two notes of Mr. Rakovsky. It may be recalled that these notes contained also our offer to submit to an impartial arbitration commission the question concerning the 'Zinoviev letter,' our Government declaring officially that the letter was forged. We just received from Mr. Chamberlain an answer which is quite short but not quite clear; he declares that with reference to this matter he has nothing to add to his note of November 21. This means that the official statement of the Soviet Government to the effect that the Zinoviev letter is a forgery, is completely ignored by the Conservative Government of England. This means also that all the various arguments brought forward in the reply of Mr. Rakovsky are likewise ignored. This means finally that the British Government doesn't accept our offer to submit the question of the 'Zinoviev letter' to an arbitration commission.

*Retranslated from Russian.

"To any impartial observer this latter fact should be of deciding importance. We proposed to the British Government an impartial investigation of the matter with the purpose of finding out the truth. The British Government rejects that proposal. It doesn't wish to clear up the truth. Its refusal to accept an investigation of the matter by an arbitration commission shows that the British Government admits that it is wrong.

"The British Government went even further than that. The representatives of the British Government have declared repeatedly that if they are unable to give documentary proof of the genuineness of the 'Zinoviev letter' it is because the person who supplied that letter resides in Moscow and that as a result of the disclosure of his incognito his life might be endangered. Our Government took the British Government by its word. 'Very well,' was our answer, 'we will meet you half way and we declare officially and categorically that we guarantee to your informer full impunity and liberty to leave our territory.' This was said in the form of a note sent by Mr. Rakovsky on December 22. Now, let the British Government mention the source of its information, and this will facilitate the clearing up of the matter; but if it refuses, then it brands itself as the party that is wrong.

"This proposal of the Soviet Government was not accepted. In the meanwhile, on December 15, Mr. Chamberlain appeared in the House of Commons with proofs of the genuineness of the 'Zinoviev letter' consisting in the fact that this letter was received from three or four different sources. We are ready to believe that Scotland Yard has not four but hundreds of informers, and should Mr. Chamberlain claim that he received the 'Zinoviev letter' from three hundred sources and not only from three sources, the discovery of the truth will by no means be advanced thereby and will not in the slightest alter the fact that Mr. Chamberlain is afraid of the method proposed by us for the discovery of the truth through resorting to an arbitration commission.

"It must be admitted that there exists a certain harmony between such an attitude of the British Government and the present role of British diplomacy all over the world. The British embassies and legations in practically all western and eastern countries are at present both the chief instigators of a hostile policy against the Soviet Union as well as a continuous source of false information about our country. When in Angora the rumor is spread about the breaking off of the Soviet Union's relations with France, and in Paris the rumor is spread about the breaking off of our relations with Turkey, these rumors can in both cases be traced to British sources. Such occurrences have become a continuous and chronic

feature. In spite of the denials of the British press, we know beyond any doubt that it was the British representative who promised to the Fan Noli Government of Albania help against Ahmed Zogu in the case it would expel the diplomatic mission of the Soviet Government, and that he threatened the virtually unarmed Fan Noli Government that he would deliver it into the hands of Ahmed Zogu if it would refuse to order our representative to leave the country.

"The fact that Mr. Chamberlain has declined our arbitration offer for clearing up the truth concerning the 'Zinoviev letter' and that he has left without answer our statement offering impunity to the source of the forgery is in full harmony with the general policy of the British Government and of the other Governments that are under its influence. The Soviet Union whose aim is to develop peaceful relations with all countries and to work for the establishment of universal peace quietly takes note of these manifestations of an unfriendly policy by emphasizing to all nations that the disregarding of its arbitration proposal as well as of the impunity offer for the source of the forgery, are incontrovertible evidence that it is right."

Polish-Soviet Relations

On December 5, 1924, the Polish Parliament ratified the postal, telegraph and railroad conventions between Poland and the Soviet Union. It was pointed out that the convention was based upon the general principles of international conventions, due consideration being given to local conditions.

In the latter part of December the Warsaw daily "Echo Warszawskie" printed an interview with Mr. Voykov, diplomatic representative of the U. S. S. R. in Poland. Mr. Voykov stated that in the relations of the U. S. S. R. with Poland for the last two months an undeniable improvement has been observed, which will make it possible to solve various problems to the mutual satisfaction of both countries—an evidence that both sides are interested in stable mutual relations. In addition to the settlement of political questions, the establishment of firm economic relations between the two countries could serve as basis for such stable relations. "I have all the reasons to suppose," Mr. Voykov said, "that the present economic situation of the U. S. S. R. is creating a basis for advantageous commercial relations between the two countries." The immediate prospects of commodity exchange with Poland, according to Mr. Voykov, depend upon the form which the commercial agreement between the U. S. S. R. and Poland will assume. Touching upon the monopoly of foreign trade, Mr. Voykov remarked that in case of establishment of normal commercial relations, the foreign trade monopoly would be no obstacle to the exchange of commodities.

Resumption of Relations with Japan

On January 21, 1925, an agreement was reached between the representatives of the Soviet Union and of Japan, implying de jure recognition of the Soviet Government.

The Soviet Diplomatic Mission in Albania

On December 16, 1924, Mr. Krakovetzky, diplomatic representative of the Soviet Government in Albania, arrived in Tirana, the capital of that country, with the preliminary consent of the Albanian Government. On the same day the Council of Ministers decided to accept his credentials. On the following day, however, the representatives of Great Britain, Italy, and Yugo-Slavia protested against the admission of the diplomatic representative of the Soviet Union in Albania, this protest being a direct violation of an agreement which took place in the Fall of 1924 between the U.S.S.R. and Albania concerning the establishment of diplomatic relations.

At that very moment the aggression of Ahmed Zogu against Tirana, aided by Yugo-Slavia, had assumed threatening proportions. The diplomatic representatives of Great Britain, Italy and Yugo-Slavia declared that in the case of a further sojourn in Albania of the diplomatic representative of the U. S. S. R. they would treat the military activities of Ahmed Zogu as an internal affair of Albania, in which they are in no way concerned. The British diplomatic representative promised officially to the Albanian Government that in case the latter refuses to receive the diplomatic representative of the U. S. S. R., England would stop the aggression of Ahmed Zogu.

The military situation of the Albanian Government was at that time exceedingly difficult and was particularly aggravated by the lack of arms and ammunition. On December 17 the Council of Ministers assembled again and asked the diplomatic mission of the U. S. S. R. to leave Albania in order to save that country from being conquered by Ahmed Zogu. The General Secretary of the Albanian Ministry of Foreign Affairs visited Mr. Krakovetzky and submitted to him this request officially, pointing out the difficult military situation with which Albania was confronted. In view of the situation thus created, the diplomatic mission of the U. S. S. R. left Tirana on December 18, 1924.

The Soviet Union and Mexico

On the occasion of the assumption of his post by Mr. Calles, President of Mexico, the Chairman of the Central Executive Committee of the U. S. S. R., Mr. Kalinin, cabled him the following message of congratulations:

"Accept, Mr. President, my sincere congratulations on the occasion of your assumption of the

high functions of President of the United States of Mexico as well as my wishes for your success in this exalted post.

"I am deeply convinced that under your leadership the country will rapidly proceed along the road of progress and well-being, and that the friendship between the peoples of Mexico and of the Soviet Union will be further strengthened and developed.

President Calles replied by sending President Kalinin the following cablegram:

"I thank the Chairman of the Central Executive Committee of the U. S. S. R. for his sincere greetings on the occasion of the assumption of my office and for his good wishes to my government. I am convinced that the friendship between the peoples of the Soviet Union and Mexico will become greater and greater."

The Soviet Union's Participation in International Railway Conferences

An invitation was received by the People's Commissariat for Transport to attend the conference of the Subcommittee of the International Railroad Union, which is called for the purpose of evolving a uniform terminology of freights applicable for international tariffs.

The conference was to take place in Switzerland, but, after the People's Commissariat for Transport pointed out the impossibility of sending representatives of the U. S. S. R. to Switzerland in view of the boycott which the Soviet Government declared against that country—Munich was chosen as the place for the conference. The People's Commissariat for Transport was notified to this effect by the International Railroad Union.

Diplomatic Corps at Celebration of Anniversary of Revolution

On the occasion of the seventh anniversary of the November Revolution, the People's Commissar for Foreign Affairs, Mr. Tchitcherin, held a reception on Friday, November 7, 1924, at which were present all members of the foreign diplomatic corps in Moscow.

PAMPHLETS

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

Miscellaneous News

Currency Circulation

The amount of currency in circulation at the beginning of the fiscal year 1924-25 is shown by the following table (in gold rubles):

	Nov. 1, 1924	Dec. 1, 1924
Banknotes of the State Bank.....	370,285,800	400,203,100
Treasury notes.....	218,462,000	225,874,800
Silver coins.....	59,561,300	67,504,500
Copper coins.....	385,100	826,100
Various kinds of small change (from 1 to 50 kopeks).....	28,806,600	27,495,600
Total.....	675,500,800	721,904,100

During 1924-25 it is proposed to issue copper coins in the amount of 10 million gold rubles (before the war there were in circulation 18,000,000 rubles in copper coins).

The output of the mint now exceeds its pre-war output; by December, 1924, the mint was working in three shifts with a daily output of about a million and a half of silver and copper coins. The monthly production of the mint is 9,000,000 rubles. At this rate the program for the minting of silver and copper coins for 1924-25 will be carried out on time.

The order for forty million rubles worth of half-ruble silver coins placed by the U. S. S. R. in England was completed and the full shipment of the coins was received by the People's Commissariat for Finance in the course of December.

Purchase of Gold Coins

In connection with the extension of the savings banks system, the Collegium of the People's Commissariat for Finances has instructed these banks to buy up from the population available gold coins of Tsarist mintage.

To depositors in the savings banks payments for such coins will be made above the market price on the day of purchase; non-depositors will only receive for their gold coins the market price of the day without any premium.

Savings Banks in the Soviet Union

There has been an increase of deposits in the savings banks of the Soviet Union (not including Transcaucasia) during the month of November, amounting to 1,428,000 gold rubles.

To bring the savings bank system into closer contact with the working population, 557 new saving banks were opened in November, principally attached to post-and-telegraph offices. The total number of savings banks throughout the Union was 6,151 on December 1, as against 5,535 on November 1.

Asbestos Deposits in Abkhazia

In the course of geological investigations carried on by the Abkhazian Scientific Society in the district of Gumistan, deposits of high grade asbestos were found in the basin of the river Emkha.

Cooperatives in Outlying Districts of the U.S.S.R.

The cooperative movement in the outlying districts of the Soviet Union is represented by the following figures: in the Irkutsk province 28.4 per cent of the entire population is organized in cooperatives; in the Zyrian area (Northern Russia)—27 per cent; in the Crimea—24.5 per cent; in Karelia—11.4 per cent; the population of Turkestan is also gradually being drawn into the cooperative system.

The cooperative movement also shows success in the Tomsk and Yenisseisk provinces, as well as in the Yakut Republic; the cooperative unions have now extended their agencies far into the polar region.

Transactions of the "Eggexport" Company in 1923-1924

The "Eggexport" organization, which is a mixed joint-stock company, actually began to purchase eggs in April, 1924. Altogether up to October 1, 1924, it had shipped abroad 110 carloads (15,085,000 eggs), 83 per cent of which were purchased directly from the producers by the company itself and 17 per cent were purchased from other concerns (chiefly "Arcos"). Of the quantity (110 carloads) in question, 82 carloads had been sold for 406,312 gold rubles up to October 1, and it was expected that 175,610 gold rubles would be obtained for the remaining 28 cars, so that the total sales value of the eggs exported would amount to approximately 582,000 gold rubles.

In addition to this, up to October 1, 1924, an aggregate of 29 carloads of non-export eggs had been disposed of in Leningrad and Moscow for the sum of 116,523 gold rubles.

Accordingly, the company's entire stocks up to October 1, 1924, were equivalent to 139 carloads (19,274,000 eggs) in quantity with a sales value of 698,446 gold rubles.

During the period extending from October 1 to November 10, 1924, the company had forwarded abroad 27 carloads (3,868,000 eggs) worth 193,000 gold rubles, making the total handled since the beginning of operations 166 carloads (23,142,000 eggs) valued at 891,446 gold rubles, of which there had been exported, principally to Germany, 137 carloads (18,953,000 eggs) for the sum of 778,923 gold rubles.

Late in 1924, in connection with the close of the season, the company planned to begin the purchase of eggs in the Batum region for trans-shipment to Germany via the sea route.

Parallel with its egg operations, early in November of 1924 the company had purchased for export and placed on the fattening farms 11,600 geese, 6,000 turkeys, and 10,000 braces of hens.

*The new address of the Russian Information Bureau is
2819 Connecticut Ave. N. W. Telephone: Adams 6394.*

Agreement with the Jewish-American Joint Agricultural Corporation ("Agrojoint")

The Council of People's Commissars has confirmed an agreement concluded with the Jewish-American Joint Agricultural Corporation ("Agrojoint") by the committee attached to the presidium of the Council of Nationalities in the Central Executive Committee of the Union of S. S. R. for the promotion of agriculture among the Jewish working people.

The "Agrojoint" has been authorized to render material aid to colonist groups and their operations in the new localities and to instruct the Jewish farmer-colonists in all matters of an organizational, economic and cooperative nature. The "Agrojoint" has engaged itself to expend not less than 40,000 gold rubles on such measures during the course of the fiscal year 1924-25.

In its activities the corporation will pursue no commercial ends whatever and will not strive to make any profits. The sums advanced by the "Agrojoint" to assist the Jewish colonists will be granted either as repayable loans or as subsidies according to the judgment of the representative of the corporation.

The Government has granted the "Agrojoint" a large number of facilities. Thus, the "Agrojoint" is freed from the payment of all taxes and imposts, and its goods for the needs of the colonists are imported from abroad free of duties and excises and will be transported inland at reduced rates.

Upon liquidating its operations the "Agrojoint" is to transfer its property, including its liabilities, to cooperative and other organizations active within the limits of the Union of S. S. R. and pursuing aims similar to those of the "Agrojoint." In any event, the "Agrojoint" is under obligation not to re-export abroad any funds, materials or machinery imported into the Union of S. S. R. for its work.

All the activities of the "Agrojoint" will be carried on in complete accord with the Government through the instrumentality of the committee attached to the presidium of the Council of Nationalities of the Central Executive Committee of the Union of S. S. R. for the promotion of agriculture among the Jewish working people.

The agreement has been made for one year, but at the request of the "Agrojoint" and in the absence of objections on the part of the Government it may be automatically extended over a new term.

Bicentenary of the Mint

On occasion of the two-hundredth anniversary of the establishment of the Mint—one of the oldest industrial establishments of Leningrad—the People's Commissariat for Finances appropriated 10,000 gold rubles for the personnel of the establishment, the sum to be used for educational purposes.

The Growth of the Circulation of "Pravda"

In December, 1924, the "Pravda," central organ of the Russian Communist Party, attained a circulation of over 500,000 copies. The extraordinary growth of the paper's circulation is shown by the following figures: In December, 1923, 89,663; in January, 1924, 126,000; in February, 152,400; in March, 170,445; in April, 224,992; in May, 267,436; in June, 307,443; in July, 326,028; in August, 356,165; in September, 379,135; in October, 432,068; in November, 460,510; in December 507,745.

Nogin Monument in Moscow

A monument is to be erected in Moscow in memory of Victor Nogin, pioneer of the Russian Revolution who died on May 21, 1924. The first stone was laid on November 23, 1924. Victor Nogin, a textile worker by trade, was People's Commissar for Trade and Industry in the first Soviet cabinet. At the time of his death he was at the head of the textile industry in Russia. In November, 1923, he came to the United States where he founded the All-Russian Textile Syndicate, Inc., which is concerned with the purchase of American cotton for the Soviet textile industry.

FINANCIAL STATEMENT

of the

Issue Department

of the

SOVIET STATE BANK

On January 1, 1925

Assets	Chervontsy
Gold (coin and bullion)	14,195,464
Platinum (bullion)	1,298,444
Foreign Bank Notes (at rate of £—8.75 rubles and \$1—1.94 rubles)	9,867,012
Drafts in Foreign Currency for the total am't of 417,361 cherv., less regular discount	375,625
Discounted bills in chervontzy 32,390,784 less regular discount	29,142,067
Securities covering advances on goods 5,832,- 021 less regular discount	4,870,749
Total	59,750,000
Liabilities	Chervontsy
Notes transferred to State Bank	59,596,820
Balance to which notes may still be issued ..	153,180
Total	59,750,000
59,750,000 chervontzy equal 597,500,000 gold rubles.	

RUSSIAN REVIEW

Fifteen Cents

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Industrial Crops in the U. S. S. R.

Education in the Soviet Union

New Soviet Republics in Central Asia

The Russian Far East

Foreign Relations of the U. S. S. R.

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The Soviet Union's Trade with Germany

SOVIET-GERMAN trade was reduced to nothing by the War and the Revolution. Before the war the total trade turnover with Germany had almost doubled in the course of 15 years. On the average, during the five-year period from 1896 to 1900 this turnover amounted to 382,000,000 rubles; from 1901 to 1905 it was 447,000,000 rubles, and from 1906 to 1910 it averaged 685,000,000 rubles annually, divided as follows into exports and imports (figures for 1911, 1912 and 1913 include only customs statistics on shipments across the European border):

Years	Exports Rubles	Imports Rubles
1896-1900	177,900,000	203,900,000
1901-1905	221,000,000	225,900,000
1906-1910	326,400,000	359,400,000
1911	490,500,000	476,800,000
1912	453,800,000	521,100,000
1913	453,600,000	642,800,000

The imports from Germany developed much faster than exports thither. From 1890 to 1913 imports from Germany to Russia increased three-fold, while Russia's exports to Germany grew only 2½-fold. In the year 1913 the total turnover reached 1,000,000,000 rubles. Beginning with the war the trade turnover with Germany fell:

Years	Exports Rubles	Imports Rubles
1914	249,100,000	429,700,000
1915 .....	.....	25,000,000
1916 .....	.....	9,700,000
1917 .....	.....	9,100,000
1918	700,000	400,000
	(at 1913 prices)	
1919 .....	.....	.....
1920 .....	.....	6,300,000

During the war German goods found their way to Russia casually through neutral countries. From 1918 through 1919 trade ceased altogether. With the lifting of the blockade (January 16, 1920) the resumption of peace relations with foreign nations commenced, after which followed the renewal of the Soviet Union's foreign trade operations. During the first three years succeeding the blockade the development of trade was extremely one-sided. The Soviet Union purchased goods abroad, but scarcely exported any of its own. Such

an abnormal situation in the country's foreign commerce resulted, on the one hand, in consequence of the disruption of the nation's economic life and, on the other hand, because of the hostile attitude of almost the whole capitalist world.

The Soviet Union's Trade in 1920-1922 at 1913 Prices in gold rubles

Year	Total Exports	Part Shipped to Germany	Total Imports	Imports from Germany
1920.....	1,300,000	.....	29,000,000	6,300,000
1921.....	20,100,000	1,700,000	210,000,000	54,400,000
1922.....	81,600,000	14,700,000	289,300,000	88,300,000

Exports from the Soviet Union began to revive in 1922, Germany's share constituting 18 per cent of the total in that year, while she accounted for 33 per cent of the imports for the same year. During the subsequent years exports started to develop rapidly, thanks to the general progress achieved in the economic life of the Soviet Union and to the simultaneous improvement of its international position.

During the past four years the agricultural and industrial output of the U.S.S.R. has increased markedly.

Output at Pre-war Prices (in gold rubles)

Year	Industry		Agriculture	
	Value	Ratio of increase	Value	Ratio of increase
1921	929,000,000	100	3,535,000,000	100
1922	1,471,200,000	158	3,931,000,000	111
1923	1,793,500,000	193	4,094,500,000	118

During the fiscal year 1923-1924 industrial production increased by 32 per cent, and agricultural production by 8 per cent. In agriculture along with the bad grain harvest there was an enlarged output of industrial crops and animal products. During the year 1924 the number of horses increased by 4 per cent, large horned cattle by 11 per cent, sheep by 8 per cent, and the number of hogs almost reached the pre-war level.

The improvement of the economic situation was the basis for a further expansion of foreign trade relations. The following are the turnover figures subsequent to 1922:

Exports and Imports during Calendar Years 1923 and 1924 at 1913 Prices (in gold rubles)

Year	Total Exports Gold Rubles	Part Exported to Germany Gold Rubles	Total Imports Gold Rubles	Part Imported from Germany Gold Rubles
1923	205,000,000	61,300,000	144,000,000	51,800,000
1924 (Jan.-Sept.)	232,400,000	37,200,000	161,200,000	33,700,000

Exports and Imports during Fiscal Years 1922-23 and 1923-24 at 1913 Prices (in gold rubles)

Fiscal Year	Total Exports	Part exported to Germany	Total Imports	Part imported from Germany
1922-23	133,200,000	42,600,000 (32%)	147,800,000	60,900,000 (41.3%)
1923-24	340,000,000	66,700,000 (20%) (Preliminary data)	208,000,000	53,000,000 (21%) (Preliminary data)

If Germany's relative importance in the Soviet Union's foreign trade is considered before and after the war, the following picture is presented:

Germany's Place in the Soviet Union's Foreign Trade:

Percentage of total imports and exports across the European frontier, according to data of customs statistics

Year	Exports to Germany	Imports from Germany
1911	32	47
1912	32	50
1913	32	52
1921	8	26
1922	18	33
1923	30	36
1924 (Jan.-Sept.)	16	21

In 1923 Germany very closely approached her pre-war standing. Beginning with 1921 her role in the Soviet Union's foreign trade grew steadily greater. During 1924, as a result of the incident that occurred in May, Soviet-German trade began to decrease. Immediately behind Germany in order of importance comes the British market, which is energetically fighting for its place in the Soviet Union's foreign trade. The movement of trade with Germany and Great Britain is set forth by the following figures (putting the figures of 1921-22 at 100):

Soviet Exports

Fiscal Year	Great Britain	Germany
1921-22	100	100
1922-23	161	520
1923-24	360	750

Soviet Imports

Fiscal Year	Great Britain	Germany
1921-22	100	100
1922-23	80	76
1923-24	102	55

In the rate of its development trade with Ger-

many falls behind Soviet-British trade. Both the relative and the absolute figures testify to this:

Fiscal Year	Exports to Germany	Imports from Germany	Exports to England	Imports from England
1921-22	8,200,000	88,800,000	17,900,000	46,800,000
1922-23	42,600,000	60,900,000	28,900,000	37,100,000
1923-24	61,700,000	49,000,000	64,500,000	47,300,000

(11 months)

In the year 1923-24, with respect to absolute figures, England stands almost on the same level with Germany. The two countries have begun to occupy the same place in the Soviet Union's foreign trade (about 20 per cent of Soviet exports, and 26 per cent of Soviet imports). It may be recalled that in pre-war years Germany took 32 per cent of Russia's exports, while Great Britain took only 20.5 per cent. In 1922-23 Germany's share was 32 per cent, and Great Britain's 21.7 per cent. Finally, for the first 11 months of 1923-24 Germany took 19.7 per cent, while Great Britain's share was 20.6 per cent. As to imports by Russia, in 1913 Germany sent (across all Russian frontiers) 47 per cent of the total, Great Britain—12.5 per cent; in 1922-23 Germany—41.3 per cent, Great Britain—25.2 per cent; and for the first 11 months of 1923-24 Germany—26.8 per cent, Great Britain—25.9 per cent. These figures show the growing importance of Germany on the Soviet market from the inception of the foreign trade revival and the rather marked diminution of her relative importance in 1923-24. Parallel with this, Soviet-British trade is expanding.

The character of the Soviet Union's trade with Germany also changed, as can be seen from the following tables:

Soviet Exports to Germany

	1918		1923		1924 (Jan.-Sept.)	
	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total
1. Foodstuffs	248,000,000	54.9	39,700,000	64.8	24,100,000	64.8
2. Raw matls. and semi-finished products	172,800,000	38.0	21,400,000	34.9	13,100,000	35.2
3. Animal products	26,500,000	5.8	.....	.....	.....	.....
4. Manufactures	5,900,000	1.3	200,000	0.3	.....	.....
	453,800,000	100	61,300,000	100	37,200,000	100

Soviet Imports from Germany

	1918		1923		1924 (Jan.-Sept.)	
	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total
1. Foodstuffs	54,500,000	8.5	1,100,000	2.1	500,000	1.5
2. Raw matls. and semi-finished products	297,600,000	46.3	21,100,000	40.7	17,800,000	52.3
3. Animal products	300,000	.....	.....	.....	.....	.....
4. Manufactures	290,400,000	45.2	29,600,000	57.2	15,400,000	45.7
	642,800,000	100	51,800,000	100	33,700,000	100

In 1913 more than half of Russia's exports to Germany consisted of foodstuffs; in 1923 the share of this group had risen to 65 per cent, and in 1924 it remained at the same level as in 1923. Manufactures constituted 45 per cent of Russia's total imports from Germany in pre-war years; in 1923 they made up 60 per cent of the imports from Germany and in 1924 they again account for 45 per cent.

The following are the percentages for some individual commodities: In 1913 wheat exports to Germany constituted 5.8 per cent of Russia's exports of this commodity, in 1923—9.7 per cent, in 1924 (Jan.-Sept.)—12.1 per cent; rye—15.3 per cent in 1913, 56 per cent in 1923, and 32.6 per cent in 1924; barley—60.7 per cent in 1913, 48.5 per cent in 1923, and 20.1 per cent in 1924; oil-cake—42.3 per cent in 1913, 36.1 per cent in 1923, and 11 per cent in 1924; butter—34.9 per cent in 1913, none in 1923, and only 5.3 per cent in 1924; eggs—26.1 per cent in 1913, 5.6 per cent in 1923, and 18.5 per cent in 1924; rough timber—41.8 per cent in 1913, 13 per cent in 1923, and 5.4 per cent in 1924; bristles—76.3 per cent in 1913, 28.6 per cent in 1923, and 9.7 per cent in 1924. The importance of the German market for a whole line of commodities has diminished comparatively, rye being the only one in which she occupies a higher rank than before the war.

The following are some of the percentages relating to imports: In 1913 Russia's imports of chemical products from Germany constituted 74 per cent of the total imports in this group, in 1923—56.8 per cent, and in 1924—67.7 per cent (the German market's role having approached its pre-war status); paints and dyes—70.3 per cent in 1913, 70.9 per cent in 1923, and 86.5 per cent in 1924; various metal manufactures—61.3 per cent in 1913, 65.8 per cent in 1923, and 21.4 per cent in 1924; agricultural machinery—38.9 per cent in 1913, 61.2 per cent in 1923, and 26 per cent in 1924; scientific apparatus—87.8 per cent in 1913, 71.4 per cent in 1923, and 71.1 per cent in 1924. In chemical products Germany holds the leading place, but with reference to other products she must meet the keen competition of other countries. It is interesting to observe that with respect to some articles Germany's importance has been particularly reduced. The percentages for wool were 50 in 1913, 20 in 1923, and only 3.8 in 1924. The Soviet-German commercial relations are most fully reflected in the turnovers of the Soviet Trade Delegation in Berlin, which, apart from Germany, carries on trade with other neighboring countries. This phase of the activity of the Soviet Trade Delegation in Berlin is far from a matter of indifference to Germany. It is not without cause that the Koenigsberg municipality is evincing very great efforts to attract Russian transit cargoes; the fairs held in Germany are also

showing marked interest in the Soviet Union's participation in them.

The following figures cover the years during which the Trade Delegation has been active in Germany, the table showing the total turnover in gold rubles:

1920-21	.....	131,400,000
1921-22	.....	104,100,000
1922-23	.....	189,000,000
1923-24 ¹	.....	146,200,000
Total	.....	571,600,000

Of this sum 196,500,000 gold rubles consisted of exports, and 375,100,000 gold rubles of imports. Out of the total turnover 400,000,000 gold rubles fell to the share of Germany.

Thus Germany occupies a very important place in the Soviet Union's foreign commerce, and her role is far from being limited to the direct export and import operations. According to data of the Trade Delegation in Berlin Germany's merchant fleet carried 26.2 per cent of the total Soviet grain cargoes in 1923, and 17 per cent during the first six months of the fiscal year 1923-24. The same situation applies with regard to banking and insurance operations. The Soviet Union devotes a great deal of attention to the German market, as is demonstrated indeed by the relative importance of the transactions of the Trade Delegation in Germany, but undoubtedly Germany will be able to retain her leadership only at the cost of great efforts. It has been seen how successfully competition is carried on against her by Great Britain, which occupied an almost equal position. Directly after England comes France, which will very persistently rebuild her trade with the Soviet Union.

Her geographical proximity and her acquaintance with the Soviet market create a certain advantage for Germany in the struggle with her competitors. These advantages, as has been demonstrated by the occurrences of 1924, are by themselves, without the mutual endeavors of both countries and without a recognition of the importance of Soviet-German trade, no guarantee of further development.

¹For the first six months of 1923-24 (October, 1923, to March, 1924.)

PAMPHLETS

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

ANNIVERSARY OF LENIN'S DEATH

The first anniversary of Lenin's death—January 21—was commemorated all over the Soviet Union. The public edifices and private buildings of Moscow and Leningrad, Kharkov and Kiev, as well as of all the other cities, were covered with black-bordered red flags. Upon the signal given by the military salute the work in all factories and workshops was stopped and all traffic was interrupted for three minutes. On all Government buildings the flag was hoisted at half-mast.

The day on which the leader of the November Revolution closed his eyes forever has become a day of national mourning observed in all corners of the vast Soviet territory by the popular masses to whose liberation he had devoted his life.

tives, the State Agricultural Warehouses, etc. In financing them the Central Agricultural Bank will make it a universal rule to have the opened credits handled through the agricultural credit system and through the primary cooperatives, the peasant being in direct touch with the latter. Not less than 10 per cent of the total amount of short-term credits will be allotted to the central cooperatives and other organizations.

During 1924-25 the Central Agricultural Bank will not advance credits to the Soviet farms out of its own resources. For this purpose funds will be appropriated in the general Federal budget for long-term loans, and short-term loans will be provided out of the resources of the State Bank.

As regards the purposes for which the Central Agricultural Bank will issue credits during the fiscal year 1924-25, it may be mentioned that the following general principles have been established by the Central Agricultural Bank: In every instance the credits extended by the Central Agricultural Bank are to have a definite, purposeful character and to possess as their general aim the strengthening of those branches of peasant economy whose development is an indispensable prerequisite for the expansion of agricultural economy and for enabling it to work for the market. In view of the limited resources, credits are to be concentrated on fundamental branches of peasant economy in a definite region, that is, on those branches which possess a decisive importance in shaping and developing the agricultural life of the entire region. The program proposals of the Central Agricultural Bank are coordinated with the prospects and working plans of the People's Commissariats for Agriculture of the constituent republics, the working plans of the central cooperatives, and the credit plans of agricultural banks in the individual republics and of the agricultural credit associations.

Under the guidance of the general principles above set forth, the Central Agricultural Bank has constructed its credit program for the fiscal year 1924-25 in the following manner:

Banks in the Soviet Union

THE plan of activities for the Central Agricultural Bank of the Soviet Union during the fiscal year 1924-25 unquestionably possesses a decided importance for the agricultural credit system as a whole.

First of all, to whom will the Central Agricultural Bank extend its credits? Farms, collective farms, agricultural producing and home-craft cooperatives—these will constitute the circle of the Central Agricultural Bank's borrowers. However, since the supplying of these borrowers with implements and productive equipment is effected through the unions of cooperative organizations, it will be the task of the bank to render financial support to these central bodies as well, among which belong the central organizations of the agricultural producing and home-craft coopera-

Purpose of credits	Total in gold rubles	Percentage of total	Including	
			Long-term loans Percentage of credit plan	Short-term loans Percentage of credit plan
1. Supply of implements and productive equipment.....	22,371,400	26.1	10.9	15.2
2. Requirements of production.....	11,782,600	13.7	0.8	12.9
3. Improvement of methods of production, tractors, and agricultural electrification.....	8,700,000	10.1	4.3	5.8
4. Working up of agricultural products.....	11,000,000	12.8	2.5	10.2
5. Measures for development of intensive cultivation, and sales and pledge operations.....	13,600,000	15.8	....	15.8
6. Financing of agricultural credit system and primary credit cooperatives	7,600,000	8.8	4.6	4.2
7. Basic expenditures and increase of working capital of producing home- craft cooperatives.....	4,100,000	4.7	0.1	4.6
8. Reserves.....	6,890,000	8.0	....	8.0
Total.....	86,044,000	100.0	23.2	76.8

A Bank for Municipal Economy and Housing Construction

The Council of People's Commissars of the U. S. S. R. confirmed the establishment of a stock corporation under the name "Central Bank for Municipal Economy and Housing Construction."

The object of the bank is to contribute to the rehabilitation and development of municipal economy and housing construction in the territory of the U. S. S. R., by means of long-term and short-term credits.

The capital stock of the bank is fixed at 40,000,000 gold rubles, to be raised by the issue of 400,000 shares at 100 gold rubles each, 51 per cent of all the shares to belong to State institutions and enterprises. The bank's reserve capital is to be formed by means of annual appropriations amounting to 30 per cent of the net annual profits of the bank, to be devoted to covering losses that may arise from the operations of the bank. The accumulation of the bank's reserve fund is to continue until the fund has reached a sum equal to one-half of the bank's capital stock.

In addition to its capital stock and reserve capital, a special reserve fund is to be established by the annual deduction of 30 per cent of the net annual profits. The purpose of this fund is to assure prompt payments of interest and the redemption of the bond issues of the bank.

Revenues from Taxes

IN the budget for the fiscal year 1923-24 the amount of revenues from taxes was estimated at 587,200,000 gold rubles, while the actual income from this source amounted to 639,300,000 gold rubles, i. e., an excess of 52,100,000 gold rubles, or 8.9 per cent.

In particular, whereas 275,400,000 gold rubles were expected from direct taxes, 305,000,000 were obtained, that is, a surplus of 29,600,000 gold rubles, or 10.7 per cent.

The income from indirect taxes was fixed at 264,100,000 gold rubles, but the returns aggregated 281,700,000 rubles, showing an excess of 16,600,000 gold rubles, or 6.7 per cent. In the division of indirect taxes the excises yielded a large surplus over the budget schedule (25,800,000 gold rubles or an excess of 13.1 per cent), while customs duties showed a deficiency of 8,200,000 rubles, or 12.1 per cent.

The revenue from duties which as State taxes were under the jurisdiction of the People's Commissariat for Finances (principally the stamp duty) was estimated at 47,700,000 gold rubles, whereas 52,600,000 gold rubles were so derived, i. e., a surplus of 4,900,000 gold rubles, or 10.4 per cent.

Thus, of the principal categories of taxes the customs duties alone failed to fulfill the scheduled estimates, while all the rest considerably exceeded them.

Turning to the individual classes of taxes, it must be noted that of the direct taxes only the agricultural and real estate taxes showed a deficit as compared with the budget estimate. The agricultural tax exhibited a slight deficiency amounting to 0.7 per cent (181,400,000 gold rubles were anticipated and 180,000,000 gold rubles received, that is, a shortage of 1,400,000 gold rubles). The real estate tax failed to meet expectations to quite a considerable degree, the deficiency equalling 75.6 per cent; the revenue from this source was fixed at 3,000,000 gold rubles, whereas only 731,000 were realized, i. e., a deficiency of 2,300,000 rubles.

Among the remaining direct taxes both of the important ones—the trading tax and the income and property tax—yielded a large surplus. The budget estimate for the trading tax was 46,800,000 gold rubles and the returns amounted to 63,000,000 rubles, displaying an excess of 16,200,000 gold rubles, or 34.6 per cent; while the expectation from the income and property tax was 47,700,000 gold rubles and the receipts were 60,400,000 gold rubles, constituting a surplus of 16,700,000 gold rubles, or 38.8 per cent.

The next issue of the Russian Review will contain an article about the excise taxes in the Soviet Union's budget.

FINANCIAL STATEMENT

of the

Issue Department

of the

SOVIET STATE BANK

on January 16, 1925

Assets	Chervontsy
Gold (coin and bullion)	14,913,349
Platinum (bullion)	1,298,444
Foreign Bank Notes (at rate of £—8.75 rubles and \$1—1.94 rubles)	9,867,012
Drafts in Foreign Currency for the total am't of 416,802 cherv., less regular discount.	375,122
Discounted bills in chervontsy 33,239,632 less regular discount	29,143,462
Securities covering advances on goods 5,304,- 069 less regular discount	4,152,611
Total	59,750,000
Liabilities	Chervontsy
Notes transferred to State Bank	57,807,030
Balance to which notes may still be issued..	1,942,970
Total	59,750,000
59,750,000 chervontsy equal 597,500,000 gold rubles.	

The Russian Far East

THE State budget of the Far-Eastern Region for the fiscal year 1924-25 is embraced within the general Federal Soviet budget in the same manner in which the budgets of the other regional units are included. At the present time the statement of government revenues and expenditures for the Far-Eastern Region does not represent any individual budgetary unit, but merely belongs partly to the budget of the R. S. F. S. R. (Soviet Russia proper) with respect to revenues and expenditures of the Russian Socialist Federal Soviet Republic, and partly to the budget of the Union of S. S. R. with respect to Federal revenues and expenditures.

However, certain exemptions are allowed the Far-Eastern Region with regard to the manner of carrying out the budget. Of these exemptions the principal ones are: (1) the establishment of fixed revenue quotas for the region at once for the whole year, (2) the determination, also for the whole year, of the amount of expenditures of a general Federal character, and (3) the apportionment of definite amounts of annual expenditures with respect to all the Government departments of the R. S. F. S. R.

The revenue quotas assigned by the central Government are as follows: agricultural tax—3,350,000 gold rubles; trading tax—1,500,000 gold rubles; income tax—1,150,000 gold rubles; customs revenues—1,700,000 gold rubles; stamp duty—1,600,000 gold rubles; other duties—600,000 gold rubles; income from posts and telegraphs—2,780,000 gold rubles; income from State properties—5,630,000 gold rubles; from banks and industrial and trading organizations—532,000 rubles; other revenues—140,000 gold rubles. The total revenue is calculated at 24,382,000 gold rubles.

The revenue estimates of the Far-Eastern Revolutionary Committee are somewhat lower—22,537,000 gold rubles. The major part of the divergence occurs in the excises.

As regards expenditures, these were set by the central Government at the figures projected by the Far-Eastern Revolutionary Committee. However, the latter body was subsequently constrained to alter its original expenditure forecasts in view of the new allotment of expenditures between the State and local budgets, whereby certain expenses previously included in the State budget were transferred upon local resources and, on the other hand, certain expenses were removed from the local to the State budget.

Last year the expenditures in the budget of the F. E. R. amounted to 21,955,000 gold rubles. According to the budget for the fiscal year 1924-25 the expenditures aggregate 23,729,000 gold rubles.

This increase, however, is explained by the fact that beginning with the current year a considerable portion of the expenses for the administration of Kamchatka Province falls upon the State budget.

Activities of the Far-Eastern Bank in 1923-24

By October 1, 1924, the Far-Eastern Bank possessed a widespread network of branches covering the entire territory of the Far-Eastern Region, from Petropavlovsk in Kamchatka on the East to Verkhneudinsk on the West and from Nikolayevsk on the Amur in the North to Vladivostok in the South.

Through its nine branches the bank serves all the more or less important centers of the Far-Eastern Region which have one or another significance in the economic life of the region, both in the trading and in the industrial spheres.

Beside this, the bank is closely connected with the branches of the foreign "Far-Eastern Bank of Harbin," thus embracing within the field of its credit activities the Far-Eastern Region's export and import operations with the neighboring countries of China, Manchuria, Mongolia, and Japan.

According to the bank's balance sheet on October 1, 1924, the grand total of the clients' indebtedness under the head of the loan and discount operations of its branches was 7,681,600 gold rubles, having increased by 2,521,100 gold rubles, or 49 per cent, as against the previous year.

The relative importance of loan and discount operations in the consolidated balance sheet of the branches also increased, having constituted 62 per cent on the average during the expired fiscal year as compared with 53 per cent during the foregoing year.

With reference to the development of the discount and loan operations in the individual branches it must be observed that, relative to the entire amount outstanding, the Chita branch showed a decrease from 52.7 per cent for the first quarter down to 23.8 per cent for the last. This decrease was occasioned chiefly by the relative growth of the discount and loan operations of the Khabarovsk division in connection with the transfer of the regional administrative institutions to that city, and was also accompanied by the expansion of these operations in the Nikolayevsk-on-the-Amur branch due to the seasonal credits extended to the fishing industry.

First place among the bank's clients, both as to absolute and relative figures, is occupied by the State enterprises. Second place goes to the co-operatives, and the last place falls to private individuals and firms.

Turning now to the expansion of the bank's activity with respect to the attraction of outside funds in the shape of current account deposits, it is to be noted that the development of this operation proceeded still more favorably for the institution.

During the fiscal year accounted for the current accounts increased from 3,752,400 gold rubles to 5,958,200 gold rubles, displaying a rise of 2,205,800 gold rubles, or 59 per cent, as against the preceding year.

Among the individual branches first place with regard to the attraction of outside funds, a rank formerly held by the Chita office, by the end of the fiscal year passed over to the Vladivostok branch, which, on October 1, 1924, had on deposit in current accounts 2,325,500 gold rubles, or 39 per cent of the total current account balances on hand in all branches. The Khabarovsk office also showed a substantial increase, both in absolute figures (from 206,800 gold rubles to 1,173,100 gold rubles) and in comparative figures (from 7 per cent to 19.7 per cent).

From the average current account balances it is found that 76 to 77 per cent of the funds drawn in by the bank in the form of current accounts consist of deposits made by the State budgetary institutions and the public organizations. The extent of the participation of the remaining groups of clients in the total amount of the current accounts is expressed by the following percentages:

	Per Cent
State trading organizations.....	4.5
State industry.....	7.9
Cooperatives.....	4.1
Credit institutions.....	2.0
Private individuals.....	4.9

Comparing the average current account balances with the average amounts outstanding on loan and discount operations, it appears that for all groups of clients (State enterprises, cooperatives, and private individuals) the indebtedness was actually covered to the extent of 77.2 per cent by their own funds in the shape of their current account deposits with the bank.

Exclusive of the State enterprises—a group of clients comprising the State budgetary institutions and the public organizations, which have large sums on deposit in their current accounts but in reality use the bank's credit facilities only to a slight extent—there remain two groups of clients (the cooperatives and the private individuals), with respect to which it is found that the private persons covered their credit requirements in the bank with their own funds to the extent of 14.5 per cent, while the cooperatives covered 9.8 per cent of their indebtedness to the bank with their own resources on deposit in current accounts.

Foreign Trade of the Far-Eastern Region

The following table shows the foreign trade turnovers of the Far-Eastern Region as compared with the pre-war figures (in gold rubles):

Year	Exports Rubles	Imports Rubles	Total Rubles	Trade Balance Rubles
1913.....	11,445,000	35,000,000	46,445,000	-23,555,000
1923.....	11,220,408	10,182,000	21,402,408	+ 1,038,408
1924..... (Jan.-June)	15,071,132	7,140,398	22,211,530	+ 7,930,734

These figures indicate the achievements with sufficient clarity. The export total has already far surpassed that of 1913, and the Far-Eastern foreign trade balance has been transformed from an adverse to a favorable one.

The contents of the import trade have also changed; instead of silk cloths, articles of luxury and other unnecessary products there are now imported: foodstuffs (meat, edible fats, sugar, tea)—34 per cent; technical raw materials for industrial use—25 per cent; machinery and other equipment—13 per cent; chemical products and medicaments—7 per cent.

The State control of foreign commerce has exercised an especially marked influence on the various groups of organizations engaged in foreign trade, as demonstrated by the following statistics:

Month and Year	Exports		
	By State Institutions Percentage	By Co-oper. Organizations Percentage	By Private Firms Percentage
February, 1923.....	8.37	4.42	87.21
November, 1923....	23.90	28.30	48.07
April, 1924.....	71.74	12.03	16.23

Month and Year	Imports		
	By State Institutions Percentage	By Co-oper. Organizations Percentage	By Private Firms Percentage
February, 1923.....	5.82	6.42	87.78
November, 1923....	53.50	7.30	39.20
April, 1924.....	72.41	19.99	7.60

All these accomplishments were secured gradually in the process of bringing the region under the Soviet system and drawing it into the orbit of Soviet commerce. The year 1924 with respect to the attraction of Soviet goods to the Far-Eastern Region is a record-breaking one, since, for example, during a period of 6 months somewhat over 20,000,000 gold rubles' worth of Soviet products was imported. The route from the ports of the Black Sea to Vladivostok was traversed for the first time with cargoes of southern wheat.

The Port of Vladivostok

In the year beginning October 1, 1923, and ending October 1, 1924, the following numbers of Russian and foreign ships put in at the Port of Vladivostok: Russian, 31; Japanese, 110; British, 11; German, 3; Chinese, 3; Dutch, 1;

Danish, 1; Italian, 1; Norwegian, 1; Swedish, 1; total 163.

The total tonnage of steamers that arrived in the port amounted to 201,408 tons.

In October, 1923, cargoes amounting to 712,824 poods were imported; in November, 583,814 poods; in December, 238,403 poods; in January, 1924, 916,340 poods; in February, 74,539 poods; March, 557,006 poods; April, 1,537,360 poods; May, 430,310 poods; June, 611,533 poods; July, 662,234 poods; August, 882,341 poods; September, 786,005 poods; the total imports during the above year were 7,892,699 poods.

The figures for exports are considerably higher than those for imports. Thus, in October, 2,565,017 poods were exported through this port; in November, 2,716,637 poods; in December, 4,031,621 poods; January, 7,256,344 poods; February, 4,957,108 poods; March, 8,465,290 poods; April, 6,508,435 poods; May, 3,714,186 poods; June, 5,174,417 poods; July, 2,711,056 poods; August, 4,535,595 poods; and September, 4,510,133 poods.

The total exports during the above year amounted to 49,253,040 poods.

Thus the total cargoes handled by the Port of Vladivostok, during the fiscal year 1923-24, amounted to 57,175,739 poods; in other words, more than 10,000,000 poods above the figures for the previous year.

The total turnover of the port has been increasing with enormous strides, since the moment when the Soviet authority was introduced. This year, the total of the cargo figures will show a still greater tendency to increase, because of the granting of duty exemptions for transit goods through Egersheld.

In spite of the efforts at competition made by the port of Dairen, the Port of Vladivostok during the past fiscal year showed considerably greater transit figures even than the preceding year.

If the picture of the transit trade is examined month by month, it will be observed that the greatest volume of transit belongs to the period from December to April, in other words to the regular seasonal transit months.

But even for the remaining portion of the year, a constant tendency to increase is observable as compared with the preceding year.

The transit of Manchurian cargoes presents the following picture: October, 1,247,381 poods; November, 1,588,995 poods; December, 3,183,877 poods; January, 5,482,282 poods; February, 4,058,913 poods; March, 5,846,847 poods; April, 3,195,937 poods; May, 2,780,665 poods; June, 2,922,252 poods; July, 1,382,530 poods; August, 2,577,132 poods; September, 2,810,787 poods; total, 37,073,608 poods.

It is of interest to examine the distribution of goods handled in the Manchurian transit trade.

The port's statistics distribute these goods as follows: Grain and groats of all kinds, 122,994 poods; flour of all kinds, 335,077 poods; beans, peas and Turkish beans, 24,352,287 poods; seeds of all kinds, 290,657 poods; oil cake, 9,740,122 poods; meat and game, 173,886 poods; eggs, 29,365 poods; bean-oil, 1,553,962 poods; timber materials, 295,685 poods; other goods, 179,653 poods, total, 7,073,608 poods.

Transshipment of Foreign Goods Through the Port of Vladivostok

On December 24, 1924, the Council of People's Commissars of the Union of Soviet Socialist Republics adopted the following decree:

1. The transshipment of foreign cargoes despatched by sea route to the port of Vladivostok and destined in transit to Manchuria, and likewise of cargoes coming from Manchuria and consigned to foreign points via Vladivostok port, is permissible upon compliance with the conditions set forth in the following articles.

2. The transshipment mentioned in Art 1 is accorded to all goods which are not barred to transit through Vladivostok port by the Customs-Tariff Committee and which are designated for such transshipment in the freight documents accompanying them.

3. Storage of the transit cargoes referred to in Art. 1 is permitted in warehouses under Customs supervision specially designated for such shipments. Prior to being forwarded according to specification, these cargoes may enter into local factory and mill establishments for elaboration, subject to Customs supervision both of their transfer from the warehouses to the enterprises named and of their return delivery to the transit warehouses after being worked up, an account of the raw material and finished product being kept by the customs Service.

4. Apart from the warehouses mentioned in Art. 3 and located on customs territory, a special district, isolated from other sections of the port, is set aside for the construction of such transit storehouses in Vladivostok port. Vessels arriving at this district to discharge transit cargoes or to take them on for export are not subject to customs inspection, and all operations within the warehouses and limits of this district are subject only to the general supervision of the customs service over the exclusive use of these warehouses for transshipment purposes. Upon being sent out of the warehouses in question for elaboration beyond the bounds of the above-mentioned district transit goods come under control of the Vladivostok customs authorities in the manner prescribed in Art. 3.

Note: The system of management for the warehouses referred to in Art. 4 is defined by mutual agreement between the People's Commissariat for Foreign Trade and the People's Commissariat for Transports.

5. The storage limit for transit cargoes in the warehouses (Articles 3 and 4) is fixed at one year from the date of their warehouse entry, during which term permission is granted to the person having the right to dispose of the freight to carry out repacking, sorting, rearrangement or sampling of the goods, and also to take measures for the protection of the goods from deterioration.

Note: The period indicated in Art. 5 is reduced to one month for easily inflammable and explosive cargoes.

6. Transit cargoes are not subject to customs inspection, and the customs service for incoming freight upon reception of such cargoes directly from abroad or from the warehouses mentioned in Art. 4 confines itself to verifying the right of the given cargo to transit reshipment in conformity with Art. 2, and likewise to checking up against the notations in the freight documents the quantity of parcels, the marks, numbers and kind of packing, and only in the event of any doubt as to the correctness of the indications in these documents regarding the weight and description of the goods, also verifies the weight or character of the goods.

7. Upon the arrival of a transit cargo the customs clearance service limits itself to a verification of the authorization marks placed by the customs entry service upon the box-cars, flat-cars or on the merchandise parcels, drawing up, in case discrepancies are found with the details in the documents, the proper records for transmission to the customs entry service for the entering of claims against the railroad or other transportation enterprise to which that customs division turned over the cargo for transshipment.

8. For the storage of transit cargoes in warehouses belonging to the customs service a toll is collected at a rate reduced to one third; however, the toll for the reimbursement of treasury expenditures on customs supervision of other warehouses is collected under the general rules established for warehouses assigned to special custom stations.

9. Upon expiration of the annual storage term, cargoes remaining in the transit warehouses must be exported within the course of three months upon payment of accrued charges, except custom duty and excise; if not exported within this period and in the absence of any agreement with the warehouse administration for further storage, the cargoes are liable to sale at auction, the purchaser being obliged to export them; the tolls, except custom duty and excise taxes, accrued on the cargoes and also the auction expenses are paid out of the sum derived from such sale, the remaining portion being delivered in the course of one year from the date of sale to the person having the right to dispose of the cargo.

10. In case any lot of transit goods shall, upon change of its original destination, be forwarded for domestic consumption within the limits of the

Union of S. S. R., the clearance of such a lot by the customs service shall take place in the usual manner, with the permission of the People's Commissariat for Foreign Trade, after the collection of the custom duties and other imposts.

11. For merchandise stored in transit warehouses there may be issued warehouse receipts on which the execution of recognized banking operations is permitted.

12. The instructions covering the supervision of transit warehouses belonging to the customs service, as well as to other State organs, and also covering the method of carrying out customs operations on the goods stored in these warehouses, are to be confirmed by the Customs-Tariff Committee.

The Amur Bridge

A technical trial of the restored span of the Amur Bridge was made on November 20, 1924. The results of the test were entirely satisfactory.

The Amur Bridge was constructed during the years 1913 to 1916. It is $2\frac{1}{4}$ versts long, has 18 spans, and cost 8,000,000 rubles to build. During the period of civil war and intervention it suffered serious damages. Two of the central spans were demolished, and the girders weighing 120,000 poods fell into the river. All the railway track-age was torn up.

Each year the arrangement of a passage—by laying a railroad track across the ice in winter and by means of barges in summer, with interruptions at the time of floating ice in spring and autumn—has imposed heavy expenses upon the railway administration.

The initial efforts at reconstruction were made in 1920-1921, but produced little. The only material result of these endeavors was the withdrawal of part of the submerged metal girders from the water—and nothing more. In general, the intervention then still unended together with the inadequacy of resources, and, in particular, the absence of proper planning and perseverance caused the failure of the attempt.

In 1923 a firm course was adopted: to restore the bridge within the two winter seasons of the years 1923-24 and 1924-25, one span each season; to reconstruct one span with part of the blown up girders recovered from the water, and to cover the second span with material received from central Soviet Russia.

The first part of the program has been fully executed. The second, judging by the progress of the work, will be completed in March, 1925. The total cost of reconstruction will come to 600,000 gold rubles.

In November, 1924, 200 men were working on the Amur Bridge, but with the freezing up of the ice and with the widening of the extent of the work an increase of 100 to 150 per cent in the labor force was expected.

Industrial Crops in the Soviet Union

THE principal industrial crops* raised in the Soviet Union are potatoes, sugar, beets, flax, hemp, cotton, sunflower, and tobacco. The war and the revolution damaged these cultures even more than the culture of grain, and the process

of change is seen in the same succession as in the case of the latter; the greatest decrease is shown in 1922 and after this a gradual revival begins. The area under these groups was as follows:

	1913		1922		Percentage as compared with 1913	1924		Percentage as compared with 1913
	Dessiatines	Acres	Dessiatines	Acres		Dessiatines	Acres	
Potatoes....	2,718,000	6,938,000	2,357,000	6,347,000	91.9	3,150,000	8,505,000	120.3
Sugar beets..	700,000	1,890,000	169,000	456,000	24.0	312,000	842,000	43.9
Flax.....	1,026,000	2,774,000	420,000	1,134,000	42.0	819,000	2,211,000	81.9
Hemp.....	650,000	1,755,000	135,000	364,000	21.4	557,000	1,504,000	88.4
Sunflower...	817,000	2,205,000	1,470,000	3,989,000	181.0	1,803,000	4,868,000	221.2
Tobacco....	56,000	151,000	5,000	13,000	8.6	41,000	112,000	74.6
Cotton.....	785,000	2,119,000	52,000	140,000	6.6	442,000	1,193,000	56.8

From this it may be seen that the sown area under special and industrial crops in the U.S.S.R. shows a very large decrease in 1922; such crops as cotton and tobacco totaled only 6 to 8 per cent of the pre-war figures. Not much better was the situation of sugar-beets and hemp, which amounted to 21 to 24 per cent of the pre-war total. The only exceptions were potatoes and sunflower, of which potatoes amounted to 91 per cent and sunflower to 181 per cent of pre-war production. The maintenance of the potato area and the increase of sunflower cultivation are explained by the fact that these two products played the predominant part in feeding the population.

Beginning with 1923, a rapid increase is observed in the area sown to these crops. The picture of the increase within the last two years is shown in the table below presenting the percentages as compared with the pre-war figures:

	Percentage of sown area as compared with pre-war area		Increase between 1924 and 1922 as compared with pre-war area
	1922	1924	
Potatoes.....	91.7	120.3	28.6
Sugar-beets...	24.0	43.9	19.9
Flax.....	42.0	81.9	39.9
Hemp.....	21.4	88.4	67.0
Sunflower....	181.0	221.2	40.2
Tobacco.....	8.0	74.6	66.0
Cotton.....	6.6	56.8	50.2

The most rapid increase is seen in hemp, tobacco and cotton, the crops which suffered most during the war and revolution. For the two years, 1922 to 1924, the area under hemp was increased four times and under tobacco and cotton eight and one-half times. For this period the areas under flax and sugar-beets doubled, and those under potatoes and sunflower greatly increased, 28 to 40 per cent, respectively.

With relation to the pre-war area under these crops, the special and industrial products show a

*This is the final instalment of Mr. D. P. Pavlov's article on the situation of agriculture in the U. S. S. R. The first two instalments were printed in the two preceding issues of the *Russian Review*.

great variation in 1924. For this reason this question, as also the question of the immediate future of these cultures, deserves closer attention.

The area under potatoes in 1924 was 128.6 per cent of the pre-war area. The rapid growth of potato production may be explained by many reasons. First of all, the potato is not a plant demanding particular attention; it gives a fair crop under ordinary peasant conditions, and as a crop sowed in rows is a very valuable agricultural factor.

Secondly, the methods of the use of the potato are most varied. A very large proportion of the potatoes is used for human food. It is no less valuable in the production of starch, dextrine, glucose and molasses. Its production has rapidly increased during the last few years. Finally, the potato is becoming very valuable latterly as food for livestock.

This applies to the Northern and temperate regions, where grains and grass give a comparatively small yield, and a rapidly developing dairy industry requires a large quantity of fodder for the cattle. The increase in the area sown to potatoes is far from ended. It will play a large part in crop rotation and stock raising.

The area under sugar-beets in 1924 was 43.9 per cent of the pre-war area. This is a product which is developing least rapidly. The increase in production of sugar-beets is proceeding strictly in accordance with the reestablishment of the sugar industry. The return to the pre-war basis is expected in 1929 with an annual increase of from 10 to 12 per cent.

Flax is sown on 81.9 per cent of the pre-war area. Russia was always the leader in the world's flax production, giving 80 per cent of the total output of the world. In 1924 the U.S.S.R. was able to export up to 7,500,000 poods (120,000 tons) of flax. The return to pre-war production is expected in 1927.

The area under hemp in 1924 was 88.4 per cent of the pre-war area. The total production of fibre is estimated to be 12,000,000 poods (about

200,000 tons). About 70 percent will be consumed by the home markets and about 30 per cent is designated for export (up to 60,000 tons). The area under this crop will return to pre-war area in 1927.

The area under sunflower in 1913 was 2,205,000 acres. In 1924 it was 4,818,000 acres, that is, in comparison to the pre-war area it totals 221 per cent. The seed crop for 1924 amounted to 45,000,000 poods (750,000 tons). Eighty per cent of this will be needed for home consumption and the remaining 20 per cent will be available for export.

Tobacco culture suffered greatly during the war and the revolution. In 1913, 151,000 acres were sown to tobacco. In 1922 this was decreased to 13,000 acres, that is, 8.6 per cent of the pre-war area. During the past two years a very rapid restoration has occurred. In 1924 the sown area was 74.6 per cent of the pre-war area, and it will be entirely reestablished in 1927 or 1928.

A still greater loss was suffered in the U.S.S.R. by cotton growing. In 1913, 2,119,000 acres were planted with cotton. By 1923 this had decreased to 140,000 acres, which was only 6.6 per cent of the pre-war area. In 1924, 1,193,000 acres were planted with cotton, which is 56.8 per cent of the pre-war area. In view of the extreme importance of this crop in the reestablishment of the native textile industry, the development of its culture is receiving very careful attention from the central organs of the Government. The pre-war production will be reached in 1928. Until that time the lack of cotton for textile purposes will be supplied by importation, mainly from the U. S.

The disorganization that followed in the wake of the war and the revolution has not been completely overcome as yet. It would be futile to underestimate the great and complicated work which has yet to be done. But the success which is recorded during the past two years gives every assurance that the U.S.S.R. is emerging and will soon completely emerge from those incredible difficulties which were the consequence of events evoked by historical necessity.

The revolution shook the agriculture and the psychology of the farmer of the U.S.S.R. to their foundations; not only must the psychology change but also the whole system of economics. For this reason it would be a mistake to believe that the recovering agriculture of the U.S.S.R. will be a repetition of the pre-revolutionary system. The old extensive methods must give place to more intensive ones. The change from purely grain farming to mixed grain and stock farming is one of the fundamental problems now facing the Government, the cooperative organizations and the farmers themselves. Together with this the significance of the U.S.S.R. as a supplier of agricultural products on the markets of the world will also change; its animal products as well as its

special industrial crops will become staple exports in addition to grain.

This year (1924) notwithstanding the sufficiency of grain within the country, the U.S.S.R. is buying a great deal of wheat from Canada. This grain is destined for the Russian Far East. Similar purchases are not without possibility in the local Eastern markets, as agriculture in the Far East is as yet poorly developed, and the transportation of grain for thousands of miles, when there are rational methods of use within the country, may be economically unprofitable.

In connection with the economic reconstruction of the U.S.S.R. a great demand is now being observed for agricultural machinery and implements. The Government and the cooperative organizations are paying a great deal of attention to the development of domestic agricultural machine building. But the demands of the population are increasing so rapidly that it is impossible to supply even one-half of the needs by home production. Intensive importation of machinery and implements, not excluding tractors, is necessary. Business relations have been reestablished with a number of European firms (Czechoslovakia, Germany, Italy) as regards the supply of agricultural machines.

Several firms are supplying machines on terms of two or more years' credit. A considerable quantity is being obtained also in the United States, particularly harvesting machinery and tractors. The agricultural machines of the Canadian and American firms are well known in the U.S.S.R. Upon the reestablishment of normal relations agreeable to both sides, the importation of these machines can again attain large proportions.

A great deal of attention is now being given in the U.S.S.R. to experimental work, selection, and seed raising. With a view to familiarizing themselves with the situation in these lines, two years ago Professors Vavilov and Tulaikov visited the United States and Canada. America and Canada have in their time borrowed a great deal from Russia with regard to grain and fruit farming. The recent achievements of Saunders, Burbank and other eminent selectionists make it necessary for the Soviet Union to turn its eyes, particularly now, toward America. It cannot be denied that these cultural relations will materially assist the rebirth of the country.

In addition, one must not forget that the U.S.S.R. possesses not a few resources which may be valuable to the agriculture of Canada and the United States. Besides some valuable kinds and species of agricultural plants, a number of which are already known in Canada, the U.S.S.R. has a number of original special agricultural animals which may prove interesting in carrying on selectional work. It is quite possible that in this way cultural relations between America and the U.S.S.R. will be still further strengthened.

The Budget for Education in the U. S. S. R.

THE Council of People's Commissars of the U. S. S. R. has fixed the total sum of the budget for education in the fiscal year 1924-25 for all the People's Commissariats of Education in the constituent republics at 96,890,000 gold rubles.

However, in connection with the improvement in the financial and economic situation and the extension of the budget possibilities, it was considered admissible to increase considerably the sum appropriated for popular education. The formation of new constituent republics, namely, the Turkoman and Uzbek Republics, also played a part in increasing the appropriations.

The total sum of appropriations in the national budget for 1924-25 devoted to meeting the demands for popular education amounts to 114,488,000 gold rubles, of which 7,400,000 gold rubles is to be taken from the federal budget of the U. S. S. R., and 107,088,000 gold rubles from the budgets of the various constituent republics.*

If this figure is compared with the total sum of these appropriations for the past fiscal year 1923-24 (80,843,000 gold rubles), it becomes perfectly clear that the cause of popular education in the U. S. S. R. during the present year is being much more favorably treated, for the appropriations have increased altogether for the entire territory of the U. S. S. R., by 41.6 per cent.

The total sum (107,088,000 gold rubles) allowed in the budgets of the various constituent republics is distributed as follows among their People's Commissariats of Education: Russian Socialist Federated Soviet Republic, 70,346,000 gold rubles (65.6 per cent); Ukrainian Socialist Soviet Republic, 17,215,000 gold rubles (16 per cent); White Russian Socialist Soviet Republic, 2,169,000 gold rubles (2.2 per cent); Transcaucasian Soviet Federation, 11,327,000 gold rubles (10.6 per cent); Turkoman Socialist Soviet Republic, 1,699,000 gold rubles (1.6 per cent); and the Uzbek Socialist Soviet Republic, 4,332,000 gold rubles (4 per cent).

The increase in expenditures for popular education as compared with the past year is quite considerable for each of the constituent republics. In the budget of the People's Commissariat for Education of the Russian Socialist Federated Soviet Republic, a simple comparison of the appropriations will reveal an increase of approximately 25 per cent. But actually, when it is considered that in the past year a certain portion of the credits assigned to the Russian Socialist Federated Soviet Republic was applied to those

parts of Turkestan which have since been separated from Soviet Russia proper, owing to the rearrangement of boundaries in Central Asia, and which now receive a separate appropriation, and to the districts that since have been assigned to White Russia, the increase as compared with last year becomes still larger. The People's Commissariat for Education of the Ukrainian Socialist Soviet Republic receives over 24 per cent more than last year, and the Transcaucasian Soviet Federation about 18 per cent more as compared with the budget year 1923-24. The greatest increase in the appropriations (135 per cent) falls to White Russia. This is to be explained by the considerable enlargement of the area of that republic at the expense of the Russian Socialist Federated Soviet Republic. As for the Turkoman and Uzbek Republics, they appear for the first time in the budget of the U. S. S. R.

In the budgets of the constituent republics the expenditures for popular education during the current year occupy the first and the most important place. Thus they constitute 34.5 per cent of the expenditures of the Russian Socialist Federated Soviet Republic in all departments; 31.5 per cent of the expenditures of the Ukrainian Socialist Soviet Republic; 27.4 per cent in the Transcaucasian Soviet Federation; 37.5 per cent in the Turkoman Socialist Soviet Republic; and 27.7 per cent in the Uzbek Soviet Republic.

The average percentage of expenditures for popular education in the budgets of all the constituent republics is about 34.3 of the total of their expenditures.

The principal item in these expenses is the remuneration for the work of those engaged in popular education, amounting to 46,165,000 gold rubles, or about 43 per cent of the entire appropriation for the People's Commissariats of Education of the constituent republics.

The total increase in the appropriations in the budgets of the People's Commissariats for Education, as compared with last year goes chiefly to the salary funds and for the material safeguarding of the pupils and students.

In addition to the sums provided in the budgets of the constituent republics in full accordance with the general instructions of the Soviet organs the federal budget of the Soviet Union provides for an additional appropriation amounting to 7,400,000 gold rubles for improving the situation of the students and professors.

As for the material situation of the village teachers, whose pay comes from the local funds, it is to be improved on the basis of a special subsidy included in the budget of the U. S. S. R., which also provides for an increase in the compensation of the teaching staff of schools of the first and second grades.

*In this calculation are not included the local appropriations for public education which in 1923-24 for the R. S. F. S. R. alone amounted to 118,500,000 gold rubles and which for the fiscal year 1924-25 are to be increased to 143,300,000 gold rubles.

The Uzbek Soviet Republic

IN a conversation with a representative of *Izvestia*, Mr. Sha-Islamov, representative of the Uzbek Soviet Republic—recently constituted from a part of Soviet Central Asia—made the following statements:

The Revolution has opened another new and important chapter in the life of the peoples of Soviet Central Asia. The questions connected with the re-drawing of the national and State boundaries have advanced from the stage of a declaration of principles and legal formulation, from the stage of preparatory work, to that of practical application. Out of the territories of former Turkestan, Bokhara and Khiva, there have already been formed the Uzbek Socialist Soviet Republic and the Turkoman Socialist Soviet Republic, which are to become constituent republics of the Soviet Union, as well as the Tajik Autonomous Republic, which is to be a part of the Uzbek Socialist Soviet Republic, and the Kara-Kirghiz and Kara-Kalpak Autonomous Regions.

On November 21, the Provisional Revolutionary Committee of the Uzbek Socialist Soviet Republic was established, to which full government authority was assigned, until the convocation of the Soviet congress, and on December 5, the Uzbek Socialist Soviet Republic was proclaimed.

Among the new State formations in the territory of Central Asia, the Uzbek Socialist Soviet Republic, owing both to its geographical extent and its economic resources, occupies the first place.

The area of the Uzbek Socialist Soviet Republic constitutes 40 per cent of the territory of all of Soviet Central Asia, and is inhabited by 5,635,000 persons (the entire population of Soviet Central Asia, not counting the regions assigned to the Kirghiz Soviet Republic, is eight millions).

The principal element in the economic life in Uzbekistan (Uzbek Republic) is agriculture, particularly cotton growing. The importance of this branch of production for the Soviet Union is well-known. It is sufficient to point out only the fact that in accordance with the five-year plan for the rehabilitation of cotton growing, the Uzbek Republic should in 1928 be already able to supply 95 per cent of the entire cotton requirements of the Soviet Union's textile industry.

Uzbekistan is the backbone of the Soviet cotton growing industry; 90 per cent of all the cotton sown in Soviet Central Asia is concentrated in the Uzbek Socialist Soviet Republic, as well as an overwhelming majority of the cotton-ginning factories.

The Uzbek Socialist Soviet Republic has 66 per cent of all the exports of Central Asia, and the Central Asiatic banks discharge 95 per cent of all their activities in Uzbekistan.

In spite of its great economic importance in the territory of Central Asia, the Uzbek Republic,

by reason of the circumstances of its historical development, is very backward as compared with the other parts of the U. S. S. R. A policy of economic slavery lasting for ages, of political subjection, of national antagonisms, of religious superstition, left its heavy impress on the entire life of the Uzbeks, as well as on their economic system. In the course of six years of counter-revolutionary activities, the economic life of the Uzbek territory was ruined, the blooming fields were turned to a wilderness, the towns to ruins.

The Tajik Autonomous Republic—which forms part of the Uzbek Republic—is in a still worse situation, having borne the brunt of the counter-revolutionary activities of Enver Pasha and other adventurers.

Government Relief Measures Against Unemployment

THE measures taken by the Soviet Government to alleviate unemployment can be divided into three groups.

1. *Unemployment Doles.* The doles given by the People's Commissariat for Labor, through the Social Insurance Funds, constitute one of the most substantial forms of relief for the unemployed. The average amount of the dole is about 8 gold rubles for the entire Union, and about 10 rubles in the capital cities. In December, 1924, about 300,000 unemployed persons received doles through the social insurance system. During 1923-24 doles paid to unemployed throughout the Soviet Union amounted to 21,000,000 gold rubles.

In many instances the available funds of the social insurance organizations were added to the sums appropriated by the government or by local administrative organs for public works. The unemployed in these cases received their dole at an increased rate (double and sometimes treble), and not in the form of a dole, but as wages for work done at public utility works.

2. *Cooperative Groups of Unemployed.* Attached to labor exchanges throughout the U.S.S.R. are organizations of special groups of unemployed in which workers of a particular trade combine into factories and workshops, which operate as collective units attached to the labor exchanges. Many of these collective undertakings, particularly in those places of the Ukraine and White Russia where industry is little developed, are operating with considerable success. Some of the collective undertakings keep at work as many as 300 to 400 of the unemployed.

At the present time more than 50,000 unemployed are thus occupied throughout the Soviet Union—34,000 of these in Soviet Russia proper and 14,000 in the Ukraine. The Government aids these collective undertakings substantially by relieving them of various taxes, advancing loans, etc.

3. *Public Utility Works.* In addition to the dole, and to the organization of collective undertakings for the unemployed, the fiscal years 1922-23 and 1923-24 witnessed the organization—for funds specially appropriated by the Government—of public utility works on a large scale. The past summer was a particularly active period both as to the size and the importance of the work undertaken. The Government appropriations for this purpose amounted to 2,300,000 gold rubles; to this sum were added 800,000 gold rubles out of the reserve fund of the Central Administration of Social Insurance; considerable sums were further contributed from various local sources. Work was carried on throughout the summer and was confined mainly to the large cities and industrial centres; for several months 25,000 men were employed daily. Of particular importance was the work done in Moscow and Leningrad, where swampy places were drained, squares and parks laid out, dump heaps cleared,

old ruined houses razed, and general improvements effected in the suburbs.

The plans for 1924-25 cover a larger field of work. Government appropriations amounting to 10,000,000 gold rubles include all kinds of public works to be carried on throughout the year. In the first quarter of the present fiscal year (October-December, 1924) already 1,500,000 rubles had been appropriated to the various localities. The work is to be exclusively of a public-utility character and aims at the improvement of the cities.

Considerable assistance to the unemployed is also rendered by the labor unions, which pay out additional doles to their members and give them all other possible aid. Under the decree regulating rents, the unemployed pay the lowest scale—10 kopeks per square sazhen, which practically means rent free (about 20 to 30 kopeks per month). There are also a number of other facilities accorded to the unemployed.

Foreign Relations of the U. S. S. R.

DURING an interview with a "Rosta" correspondent just before his departure from London on January 10, 1925, Mr. Rakovsky, Soviet Chargé d'Affaires in England, in response to a question as to what impression he was carrying away from his conversation with Mr. Chamberlain, British Minister of Foreign Affairs, stated that this impression was entirely favorable and thereupon added that his visit to Chamberlain was connected with a number of recently arisen problems requiring exhaustive clarification by both parties. "With regard to the contents of the conversation," said Mr. Rakovsky, "as you naturally understand, I cannot convey them to you, but you may guess upon what questions we dwelt if you take into consideration the communications lately appearing in the press. A series of incidents occurring in the Balkans and the Baltic States, as well as the conferences of foreign ministers in Paris and Rome, presented in the press in a peculiar light, furnished ground for the conclusion that the British Government had assumed the initiative in organizing a united front against the Union of S. S. R. Despite the fact that nothing liable to evoke a change in the relations between the two countries had happened since the publishing of the King's address from the throne, defining the policy to be adopted toward the Soviet Government, the press, nevertheless, pictured these relations as extremely strained. There was even talk about an anti-Soviet bloc, about intervention and a number of actions incompatible with the normal diplomatic relations mentioned in the speech from the throne.

"I should like to observe that public opinion in the Soviet Union, which usually faces threats with

complete calm, began to express concern, although we were fully convinced that these attempts would have no better results than the analogous efforts in the past. At any rate, the working masses of the Union of S. S. R. are permeated with the natural and legitimate desire not to be exposed to new trials. On the other hand, public opinion in the Soviet Republics is interested in the question of whether all the efforts exerted by both governments for the purpose of developing economic relations and strengthening the political friendship between the two countries, are indeed to come to naught. With respect to my own personal opinion, I must say that the groundlessness of all these rumors has become especially evident to me since my conversation with Chamberlain. Upon my arrival in Moscow I shall assume the responsibility of assuring the Soviet Government and the working masses of the U. S. S. R. that all these rumors must be regarded with the utmost caution."

With reference to the "Zinoviev letter" Rakovsky declared: "In a diplomatic sense we look upon the incident as closed, but the source of this forgery still remains a problem of enormous significance for us and we shall put forth every endeavor to clear it up. We have categorically declared and now repeat once more that mutual abstention from interference with domestic affairs of others is the primary condition of friendly relations amongst peoples. However, it is necessary for that part of the European press which explains all events in Europe, Asia and Africa as the consequences of intermeddling by Moscow to abandon this naive explanation of the causes of social and international conflicts. Nationalist movements existed,

both in Christian and in Mussulman lands, when there was as yet no Soviet Union, and even when there was no Communist Party. The same may also be said of social conflicts."

To the correspondent's inquiry as to whether the question of the restoration of normal Anglo-Soviet relations was touched upon during the conversation with Chamberlain, Rakovsky replied: "No definite opinions whatever were expressed on that point, but I do not doubt that perhaps in the near future circumstances will create a situation wherein we shall enter upon a settlement of all the disputed questions in the interest of both countries."

Presentation of Credentials by the French Ambassador

The presentation of credentials by Jean Herbertte, French Envoy Extraordinary and Minister Plenipotentiary, took place at Moscow on January 14. The French Ambassador arrived at the Great Kremlin Palace at two in the afternoon and was received by Mr. Kalinin, President of the Central Executive Committee of the Union of S. S. R.

In transmitting his credentials to Kalinin the envoy pronounced the following address:

"Mr. President, I have come here to work for the future. In handing you the present credentials today, Mr. President, I make bold to think of the future of our two countries, of the coming relations between them, and of the good whose source they may become for a humanity thirsting for freedom and peace.

"It is self-evident that concern for the future and work in its name are not a sufficient basis for forgetting or ignoring the past. On the contrary, it is necessary to remember the day that is gone in preparing for the morrow. But these recollections must serve as a stimulus, and not as a hindrance. We shall remember the difficult problems bequeathed to us by the past, but we shall remember them in order to devote our efforts to their solution and display energy worthy of optimists. We shall remember the trials fallen to the lot of our peoples, but let these memories evoke in us not fruitless regrets, but the will to come to an agreement.

"It is self-evident that the results of all international activity, just as of any collaboration between private individuals, depend upon the extent to which mutual confidence is successfully established. Confidence is engendered and can exist only when each respects the free volition, laws and rights of the other side. Personally, I am not only prepared to fulfill this twofold duty, but I am convinced that the recognition of self-advantage alone would be sufficient to prompt us to pursue such a line of conduct in the event that this were not demanded of us by a sense of duty. Confidence in the field of political action is like credit in the economic field; it is impossible to do without it,

and every effort dedicated to its consolidation is bounteously rewarded.

"However, I do not deceive myself with the illusion that, were it for my own forces alone, however open-heartedly and passionately I should pour them out in useful activity, I could assure the success of the great task entrusted to my modest efforts. During the course of long years France has been unrepresented here. The historic link is to be restored, and that is an exceptionally great undertaking. But I have at least two reasons to hope for success.

"One of them is the welcome shown me here and the benevolent attitude which I have met in you, Mr. President, and in the members of the Soviet Government. With regard to the other cause for hope—it is inscribed on the very map of our continent: this map attests, and history confirms it, that the national interests of our countries do not conflict anywhere. Nothing, consequently, hinders our working together for the establishment of the conditions indispensable to all national independence, all social emancipation and all human progress in the world.

"Such is the ideal to which I turn as to a higher power at the moment when I have the honor to deliver to you, Mr. President, the credentials whereby the President of the French Republic has accredited me in the capacity of Envoy Extraordinary and Minister Plenipotentiary to the Central Executive Committee of the Union of Soviet Socialist Republics."

Mr. Kalinin responded:

"Mr. Ambassador, with a feeling of profound satisfaction I have the honor to receive from you the credentials whereby it has pleased the President of the French Republic to accredit you in the capacity of Envoy Extraordinary and Minister Plenipotentiary to the Central Executive Committee of the Union of Soviet Socialist Republics.

"The resumption of normal relations with the French Republic constituted one of the most sincere aspirations of the Soviet Union, and I am now happy to observe the full realization of that desire.

"I join whole-heartedly in the declaration you made concerning the necessity of concentrating our efforts on the future relations of the two countries, and I am firmly convinced that through united endeavors and with mutual confidence we shall succeed in solving those difficult problems of the past which you thought it proper to recall.

"Respect for the free will and laws of other lands and the preservation of peace are the fundamental principles of the international policy of the Union of Soviet Socialist Republics, and I am especially gratified to hear from you, Mr. Ambassador, that these principles have been placed by you at the basis of your work.

"The absence of conflicts in the interests of our countries, upon which you deigned to remark,

Mr. Ambassador, should serve and, I do not doubt, will serve as a token for the future development and consolidation of friendly relations between our peoples and will lead to their intimate cooperation for peace, in which both countries are deeply interested and for which they will always strive in an atmosphere of mutual confidence.

"I beg you to believe, Mr. Ambassador, that in your high post you will invariably meet with complete confidence on my part and that every assistance will be shown to you by the Soviet Government in the fulfillment of the exalted mission conferred upon you."

After the exchange of speeches the French Ambassador presented Mr. Chartier, First Secretary of the Embassy, and Mr. de Boisanger, Attaché of the Embassy, to Mr. Kalinin.

The reception to the Ambassador was attended by: Mr. Enukidze, Secretary of the Central Executive Committee of the Union of S. S. R.; Mr. Ter-Gabrielian, member of the Presidium of the Central Executive Committee of the Union of S. S. R.; Mr. Malyshev, member of the Central Executive Committee of the Union of S. S. R.; Mr. Tchitcherin, People's Commissar for Foreign Affairs; Mr. Litvinov, Acting Commissar for Foreign Affairs; Mr. Sabanin, Director of the Economic-Legal Division of the People's Commissariat for Foreign Affairs; Mr. Kagan, Director of the Anglo-Latin Subdivision of the People's Commissariat for Foreign Affairs; and Mr. Roslavets, Secretary of that division.

After the presentation of the credentials Mr. Herbette had a private audience with Mr. Kalinin and a long conversation with him.

The Ambassador was escorted to the Kremlin and introduced by Mr. Florinsky, Director of the Recording Section of the People's Commissariat for Foreign Affairs, while the Embassy personnel arrived in the company of Mr. Gershelman, Secretary of the Recording Section.

The Soviet-Japanese Agreement

On January 20, 1925, Mr. L. M. Karakhan, plenipotentiary representative of the Soviet Union in China, and Mr. Yoshizava, the Japanese ambassador in China, signed an agreement containing the basic principles of the relations between the Soviet Union and Japan. The following are the particulars of that agreement:

With the coming into force of the present agreement normal diplomatic and consular relations are reestablished between the two countries.

Treaties, conventions and agreements, except the Portsmouth Treaty, which were concluded between Japan and Russia before November 7, 1917, are to be revised at the conference which is to take place subsequently.

After the agreement just concluded has come into force the Fishery Convention of 1907 will be

revised in accordance with the new conditions. Until the conclusion of a new convention, however, the practical measures of the Soviet Government which were applied in 1924 concerning the leasing out of fisheries to Japanese subjects will remain in force.

After the present agreement has come into force the conclusion of a trade and navigation treaty is contemplated. Up to its conclusion the relations between the two countries will be regulated according to the following principles:

(1) The citizens of each of the contracting parties shall in accordance with the laws of the country concerned: (a) enjoy the full freedom to enter, travel and reside, on the territory of the other country, and (b) enjoy continuous and full protection of their lives and property.

(2) In accordance with the laws of the country concerned each of the contracting parties grants—to the largest possible extent—on its territories to the citizens of the other party the right of holding private property and of engaging in trade, navigation, industry and other peaceful occupations.

(3) Without infringing on the right of each contracting party to regulate foreign trade according to the laws in force in the country concerned, it is stipulated that none of the contracting parties is to establish any discriminations against the other country, by applying prohibiting, restricting, or restraining measures liable to impede the development of the economic and other relations between the two countries. Both parties intend to grant to each other—as far as possible—the right of the most favored nation, with respect to trade, navigation and industry.

Concerning the question of propaganda the agreement points out that it is the mutual intention of both the U. S. S. R. and Japan to live in peace and friendship with each other; to regulate their internal affairs according to their laws, to refrain all persons holding any public office, as well as organizations receiving financial help from the parties to the agreement, from any activity which might endanger the peace of any part of the territory of Japan or the U. S. S. R.

It is understood that none of the parties to the agreement will tolerate on the territory under its control the presence of organizations or groups which claim to be the Government of any part of the territory of the other country.

For the purpose of developing the economic relations between the two countries a special article in the agreement provides for the granting by the Government of the U. S. S. R. of concessions for the exploitation by Japan of natural resources on the territory of the U. S. S. R.

The ratification of the present agreement by the Governments of both countries is to take place as soon as possible. The exchange of ratifications is to take place in Peking as soon as possible.

As an extension of the article concerning the granting by the Government of the U. S. S. R. of concessions to Japanese citizens, a special protocol is annexed to the agreement according to which the Government of the U. S. S. R. agrees to grant to the Japanese as a concession, the right to exploit 50 per cent of the area of the oil fields of Northern Sakhalin which are already being exploited by Japan. Each of these fields is divided into squares according to the chessboard principle, and a number of these squares representing 50 per cent of the total area of the oil-fields which are already being exploited by the Japanese, is granted to the Japanese for exploitation on the condition that these squares should not be contiguous; however, they should include all the wells which are at present being worked by the Japanese. As regards the other sections of the oil-fields which have not been leased, and are not being worked by the Soviet Union, it is stipulated that in case the U. S. S. R. wants to grant them as concessions to foreigners, the Japanese should enjoy the same rights as the other foreigners.

The U. S. S. R. permits to Japanese companies, upon recommendation by the Japanese Government, to carry on prospecting activities during a period of five to ten years on the eastern coast of Northern Sakhalin, on an area of 1,000 square versts which must be selected within one year after the conclusion of the concession agreement, and if oil-fields are discovered as a result of these activities, 50 per cent of the area of the oil-fields thus discovered shall be granted as a concession to be exploited by the Japanese.

The Soviet Union grants to the Japanese coal concessions on the western coast of Northern Sakhalin on an area which is to be determined by future concession agreements. As regards the area which is not exploited by the Soviet Union, and which the U. S. S. R. intends to grant as concession to foreigners, the Japanese have the same right to acquire these concessions as the other foreigners.

Japan is to pay every year to the Soviet Government 5 to 8 per cent of the gross output of the coal deposits, and from 5 to 15 per cent of the gross output of oil, and in the case of gushers this ratio may be increased to 45 per cent of the gross output.

The agreement contains clauses according to which the Japanese are permitted to cut trees and to undertake all kinds of measures facilitating communication and the transport of material and products.

In view of the difficulties with which the exploitation is confronted due to geographical conditions it is stipulated that the export and import of all kinds of objects, material, and products necessary for these enterprises or obtained from these enterprises, shall be free from custom

duties, and the enterprises shall not be subject to such taxation and restrictions as in fact might render profitable exploitation impossible.

A detailed concession agreement is to be concluded not later than six months from the day the basic agreement is signed, and not later than five months from the day of the final evacuation of Northern Sakhalin by the Japanese.

There is a special clause concerning the manner and the time of the evacuation of Northern Sakhalin by the Japanese and of the surrender of that territory to the Soviet authorities.

In the second annex to the agreement the following points are the most important:

Each of the Governments surrenders to the other Government the movable and immovable property belonging to the embassies and consulates of the other country, and which is at present situated on its territory.

The settlement of the questions concerning the debts owed to the Japanese Government or to its subjects on account of public loans and paper currency issued by former Russian Governments, viz: by the Imperial Government and the Provisional Government that succeeded it, is to be postponed to the subsequent negotiations between the Japanese Government and the Government of the Soviet Union. In the settlement of such questions the Japanese Government or its subjects—other things being equal—shall be granted no less favorable terms than those granted in similar questions by the Soviet Government to Governments or subjects of another country.

The settlement of all questions concerning the claims of the Government of one of the contracting parties against the Government of the other party, of the citizens of one party against the Government of the other party, is postponed to the subsequent negotiations between the Governments of Japan and of the U. S. S. R.

As regards the events of Nikolayevsk, Mr. Karakhan expressed in the name of the Government of the U. S. S. R. its regret on account of the occurrences which took place in 1920 in Nikolayevsk on the Amur.

Countries Entertaining Diplomatic Relations with the U. S. S. R.

The number of countries entertaining normal diplomatic relations with the Soviet Union is twenty-four. These countries are:

Afghanistan, Albania, Austria, China, Danzig, Denmark, Esthonia, Finland, France, Germany, Great Britain (and also Canada), Hungary, Italy, Japan, Latvia, Lithuania, Mexico, Mongolia, Norway, Persia, Poland, Sweden, Turkey. In this connection Czecho-Slovakia may also be mentioned, this country having established trade relations with the Soviet Union, implying de facto recognition.

Miscellaneous News

Extension of the Postal and Telegraph System

Some time ago, the Council for Labor and Defense, acting on a proposal of the People's Commissariat for Posts and Telegraphs, declared it necessary to proceed at once to an extension of the postal institutions by establishing auxiliary postal stations attached to the offices of the township Soviets, and postal agencies in the cooperative organizations, village schools, and village reading-cabins.

In addition, for the same purpose of extending the postal communications, and for ensuring the transfer of mail from the postal establishments which were being organized, the Council for Labor and Defense declared it necessary to extend the system of traveling post offices, and to increase the number of rural letter-carriers.

The Council for Labor and Defense approved also the proposition of the People's Commissariat for Posts, and Telegraphs, to transfer in the course of the fiscal year 1924-25, all the auxiliary postal stations from the local budgets to the budget of the People's Commissariat for Posts and Telegraphs. In order to extend the telegraph and radio communication with the villages, the Council for Labor and Defense declared it necessary to increase the appropriations for the construction of telegraph branch lines; for placing existing telegraph lines and equipment of the telegraph stations into the proper technical condition; for the reconstruction of lines and stations; for the rehabilitation of radio stations that had been ruined or had been used up; for the extension of the system of receiving stations, and also for beginning the work of carrying out the plan of radio communications along the Siberian Rivers Obi and Yenisei.

At a session of the Council of People's Commissars, held on January 6, 1925, these decisions of the Council for Labor and Defense were discussed and ratified.

Transit of Foreign Goods Through Soviet Territory

With the aim of regulating the transit of foreign goods through the territory of the Soviet Union, the Council of People's Commissars of the Union of S. S. R. adopted the following decision on January 8, 1925:

1. No import or export duties are collected on goods of foreign origin permitted to pass through the territory of the Union of S. S. R. along routes open to transit traffic (Art. 2); likewise such goods are not subject to the assessment of special licensing taxes. While en route through the territory of the Soviet Union transit cargoes are subject to the customs, transport and other laws and regulations in force within the Union of S. S. R.

2. The People's Commissariat for Foreign Trade is commissioned to draw up, in agreement with interested departments, and to present for confirmation to the Council of Labor and Defense a list of the routes open to the transit of goods from countries having treaty relations with the Union of S. S. R., to establish classifications and limits for these goods, and also rules concerning the method of conveying transit cargoes.

Railroad Communications of the U. S. S. R. with Foreign Countries

At a recent session of the Collegium of the People's Commissariat for Transport a report was read on the railroad communications between the U. S. S. R. and foreign countries.

It appeared from the report that at present railroad communications are already in operation with Latvia, Persia, Esthonia, Finland, Poland, Lithuania and Turkey. Propositions have already been elaborated and an agreement has been reached concerning the following direct ocean communications: Leningrad—Hamburg—London; Vladivostok—Japanese and Chinese ports.

In the near future the question of the representation of the U. S. S. R. at the Berne Convention, for regulating the conditions of international transshipment of cargoes and passengers, will also be decided.

Successful Test of Oil Locomotive

A test of Professor Hackel's oil locomotive by the Committee of the State Planning Commission and the People's Commissariat for Transport, took place on December 5, during a run of the engine from Leningrad to Rybatzkoye. The results of the test were declared quite satisfactory. The main advantage of that locomotive is that it can carry fuel sufficient for a distance of 1,500 versts. Furthermore, the engine does not require any water and can thus be used on the Central Asiatic and Tashkent railroads where there is no water along the road. The locomotive runs on mazut and crude oil.

Russian Invention Superior to Westinghouse Brake

A set of 25 Canadian tank-cars arrived early in December, from Tiflis equipped with brakes invented by the Russian locomotive engineer Kazantzev. The brakes successfully passed all tests over the Suramsk mountain railway line.

The administration of the Transcaucasian railways declared this invention to be valuable. The inventor absolutely refused highly remunerative offers to sell his invention to railway companies abroad. These foreign railway companies admit that Kazantzev's brake is far superior to the Westinghouse brake, making the latter unnecessary.

Commercial Establishments in Moscow

There has been a marked increase in the number of commercial establishments in Moscow during the past year, as will be seen from the following figures:

	October 1, 1923		October 1, 1924	
	Number of commercial units	Percentage	Number of commercial units	Percentage
State	579	4.0	3,499	15.1
Cooperative	495	3.4	1,173	5.1
Private	13,515	92.6	18,434	79.8
Total	14,589	100	23,106	100

Turnover on Trade Exchanges

The growth of the turnover on the Trade Exchanges during the year 1924 will be seen from the following figures, showing the transactions of 40 principal provincial trade exchanges in the U. S. S. R.:

Month	1923	1924
	Gold Rubles	Gold Rubles
June	55,000,000	84,000,000
July	59,000,000	100,000,000
August	58,000,000	116,000,000
September	56,000,000	154,000,000

Trade in Central Asia

The total trade turnover in Central Asia in 1922-23 may be seen from the following figures:

	Gold Rubles
Imports	29,000,000
Exports	24,000,000
Total	53,000,000

For the first ten months of 1923-24, the total trade turnover of Central Asia has amounted to 100,000,000 gold rubles (imports and exports added together), 10 per cent of the total turnover falling to the share of private trade.

In the course of the spring and summer of 1924, a great scarcity of certain articles has been experienced in Central Asia, particularly as regards textiles, sugar and grain.

Mixed Companies

The past year saw considerable progress in the activities of the mixed and concession companies. Their turnover, which amounted in 1922-23 to 13,599,844 gold rubles (exports—4,736,458 gold rubles, imports—8,863,386 gold rubles), increased in 1923-24 to 40,728,931 gold rubles, of which 20,514,831 rubles represent goods exported, and 20,214,100 rubles, imports, resulting in a favorable balance of 300,731 gold rubles.

Rehabilitation of the Nikolayevsk Fisheries

In the fisheries of the Nikolayevsk Region, Japanese capital still plays a considerably more important rôle than Russian capital. However, a distinct change is taking place, in the fact that

the fisheries products prepared in this region are being devoted more and more to supplying the home market, at the expense of the Japanese markets.

A particularly noticeable change occurred in the course of the present year. According to the figures given by the "Far Eastern Cooperator," fisheries products prepared in 1924 were sold as follows: In Japan 500,000 gold rubles, in the districts of the Far Eastern Region 222,000 gold rubles, in Western Siberia 395,000 gold rubles, in the central markets of the U. S. S. R. 747,000 gold rubles.

In other words, the home markets bought altogether 1,364,000 gold rubles' worth of fish, while Japan bought only 500,000 gold rubles' worth. In 1923 the condition had been just the opposite.

The substitution of one market for the other is to be explained by the fact that fish prepared in the Russian manner is a more valuable product than the so-called dry-salted fish (Japanese method), wherefore it appears more profitable to prepare these products for Russian markets than for the Japanese. And the Japanese capital invested in the fisheries of the Nikolayevsk Region will of course give its financial aid to the system that yields the greater profit.

Amnesty for Mensheviks in Transcaucasia

In commemoration of the seventh anniversary of the November revolution, the Central Executive Committee of the Georgian Soviet Republic promulgated an amnesty, which relieves from further punishment, as well as from preliminary incarceration those of the citizens convicted and arraigned before the Court for participation in the August Menshevik uprisings, who were not initiators or leaders in these uprisings.

The amnesty extends also to those who are now in hiding, provided that within 15 days they will express their genuine readiness to return to peaceful labor and to break off all relations with persons and organizations which are attempting to continue their counter-revolutionary activity.

Those sentenced to death have their sentence commuted to imprisonment for ten years in strict isolation. The amnesty does not extend to the confiscation of property which was already effected prior to the date of its promulgation.

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Cultural Life in the U. S. S. R.

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Financial Prospects for 1925

Foreign Relations of the U. S. S. R.

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Economic Achievements of the U.S.S.R. in 1924

THE past year witnessed a number of important new economic achievements.

First of all, considerable progress of a purely quantitative character may be noted. The material and technical basis of Soviet economic life expanded substantially during the elapsed year, as the following data of increases during 1924 attest:

The sown area increased by 8 per cent. Under this head the area of technical crops and fodder grasses increased by 20 per cent.

The number of cattle increased by 24 per cent. Under this head the number of hogs increased by 85 per cent.

The output of State industries increased by 33 per cent. Under this head the output of "light"* industry increased by 43 per cent.

The freight turnover of the railroads increased by 35 per cent. Under this head the turnover of industrial freight increased by 45 per cent.

The wholesale trade turnover (Moscow and provincial trade exchanges) increased by 40 per cent. Under this head the turnover of the trusts and syndicates increased by 55 per cent.

The volume of currency at the end of the year, as compared with the beginning of the year, increased by about two and a half times.

These few indications taken from various fields of the Soviet Union's economic activity bear accurate testimony to the long step forward taken during the past year. The size of this forward stride for the entire economic organism as a whole evidently constitutes not less than one-third of the total distance traversed by the country up to the commencement of the expired year.

The magnitude of the quantitative attainments of the economic life of the Soviet Union is manifest from the extent to which the country's economy has been reconstructed in comparison with its pre-war scope: the sown area for the elapsed year constitutes about 90 per cent of the pre-war area; the number of cattle—about 85 per cent; the industrial output—about 45 per cent at the beginning of the year and about two-thirds (66 per cent) at the end of the year; the freight turnover—about 50 per cent; the trade turnover—about 40 per cent; and the monetary circulation—about 25 per cent. Toward the close of the past year the Soviet Union's economic mechanism was operating at an average of two-thirds of its pre-war capacity.

*As "heavy" industries are to be considered coal mining, ore mining, the metal and electrical industry, while all the other industries are considered as "light" industry, with the exception of the building branches (cement and wood working) which are listed separately.

By putting together the two series of figures above cited, it is readily observed that the rate of growth of the individual branches of national economy is inversely proportional to the degree of restoration of its pre-war capacity. As a result, that disproportionateness amongst the various branches of the country's economic life which had transformed the line of the development of Soviet economy from straight to curved, showed a distinct tendency to even up during the expired year and in connection with this there was a tendency to smooth out the curve of market fluctuations (during the calendar year 1924 there were no crises of such intensity as occurred during 1922 and 1923; their place was taken by short periods of slack business). Considerable advances along the road to the elimination of the disproportionateness in Soviet economy and the attainment of more uniform fluctuations in economic market conditions within the year than have hitherto taken place—these were the first substantial qualitative accomplishments of the past year.

No less substantial in the realm of constructive, qualitative achievements is the fact that the various branches of Soviet national economy are beginning to work more and more for the market, instead of working for their own requirements only. Thus the proportion of grain entering the market last year out of the total production constituted 25 per cent instead of 17 per cent for the previous year; the State industries disposed of almost 100 per cent of the output during the past year as against 85 per cent of production sold during the preceding year, etc. In conjunction with this tendency of producing for the market there is noticeable in agriculture a particularly intensive increase of the area sown with technical crops in comparison with grains, and among the grains an increase of the wheat area as compared with rye. In connection with the same tendency of producing for the market, a rise is discernible in the output of light industry as compared with heavy industry, and it is exactly under the influence of the larger market that Soviet State industry in its development (33 per cent) surpassed the original production program forecasts (21 per cent).

Still another tendency of very great significance was present during the expired year in the sphere of the qualitative transformation of Soviet national economy. Private capital, which became active with the inauguration of the New Economic Policy and which in 1923 had displayed great tendencies to gain preponderant influence,

was constrained to yield ground to the State in serving the expanding economic life during the past year. Thus, whereas in 1923 private capital satisfied more than one-quarter (28 per cent) of the population's demand for industrial products, during the elapsed year it succeeded in covering only less than one-fifth (18 per cent) of the entire demand for industrial products. Even during the first half of the fiscal year 1923-24 (i.e., considerably before the administrative pressure on private trade) the turnover growth (105 per cent) of the State organs (according to data in the licensing statistics) greatly surpassed the turnover growth (64 per cent) of the private trading enterprises; the role of private capital in the trading exchange turnovers fell from between 15 and 16 per cent at the start of the expired year down to between 5 and 8 per cent at the end of the year. While the credits extended by the banks to the State trading organizations, increased considerably, the amount of credits to private trade decreased by one-third during the past year. Private transportation (land transport), which was still often met with in 1923—for long distances as well as for short distances—showed itself incapable of competing with State transportation.

Finally, not less substantial than those quantitative and qualitative achievements which have been noted above, is the territorial extension of the Soviet Union's economic progress. In contradistinction to the preceding years, when the economic development was concentrated in the central industrial districts of the country, the elapsed year brought with it a general, universal development, which was evident quantitatively, not primarily in the center, but in the peripheral sections of the national economic body. While in 1923 with a very considerable increase (19 per cent) in the sown area not every region was as yet characterized by this growth, in 1924 there was not a single region (in accordance with the customary division into six regions by the Central Statistical Administration) in which the sown area did not augment over the previous year's area. The same situation may be noted with regard to all kinds of cattle, the number of which increased in all regions during the expired year, whereas in 1923 each variety of cattle was marked in some region (and sometimes in two or three regions), not by a rise, but by a fall. All categories of State industry whether under the jurisdiction of the federal government, of the various constituent republics or of the local authorities, showed a growth in production during the elapsed year, the maximum growth being displayed by local industry, situated along the periphery of the Soviet Union. The rate of growth of the provincial trade exchanges during the past year was very nearly three times greater than the rate of increase for the turnover of the Moscow exchange. The length of freight hauls on the railroads during the elapsed year was greater than

during the foregoing year. Local finances were characterized by a swifter growth than State finances, etc., etc.

The basic and almost the sole negative factor connected with the past year is the bad harvest, which, however, under the present standard of agriculture represents a phenomenon beyond the economic realm (although by its results it does sharply affect the country's economic life).

In a brief article it is impossible to enumerate, to say nothing of describing, all the achievements which the expired year conferred upon the Soviet Union's economy—nothing has been said of the growth of labor productivity, the larger returns from resources invested in industry, the increased role of revenues from other than tax sources, the greater organization of trade, the stabilization of price relations, and a large number of other material accomplishments in the Soviet Union's economic life during the past year. However, one cannot help dwelling upon one more factor by reason of its outstanding importance—upon the monetary reform, the foundation without which new steps on the road to the economic development of the Soviet Union would be impossible.

This universal progress, all along the line and on all fronts, is comprehensible. The interdependence of the national economic organism, calling forth the decline of the country's entire economic activity during the years of economic disorganization, now, in the period of the Soviet Union's economic reconstruction, leads to a general progress both quantitatively and qualitatively, as well as in territorial extent.

FINANCIAL STATEMENT	
of the	
Issue Department	
of the	
SOVIET STATE BANK	
on February 1, 1925	
Assets	
Gold (coin and bullion)	Chervontsy 14,914,490
Platinum (bullion)	1,298,444
Foreign Bank Notes (at rate of £=8.75 rubles and \$1=1.94 rubles)	9,865,387
Drafts in Foreign Currency for the total am't of 424,710 cherv., less regular discount.	382,240
Discounted bills in chervontsy 32,382,194 less regular discount	29,143,974
Securities covering advances on goods 2,383,- 850 less regular discount	2,145,465
Total	57,750,000
Liabilities	
Notes transferred to State Bank	Chervontsy 55,024,743
Balance to which notes may still be issued..	2,725,257
Total	57,750,000
57,750,000 chervontsy equal 577,500,000 gold rubles.	

Financial Prospects for 1925

IN a conversation with a contributor to the daily "Economic Life" in Moscow, Mr. G. Y. Sokolnikov, People's Commissar for Finances, gave the following description of the tasks facing the financial department during the new year.

The monetary reform, said Mr. Sokolnikov, has been completed. However, there is still a great lack of organization as far as the trading turnover is concerned. The task of remedying this situation exceeds the bounds of strictly financial questions. Nevertheless, the financial policy may exercise a determining influence in this regard. The People's Commissariat for Finances will endeavor to assure the most plentiful and methodical supply possible for the market and invariably strive for the establishment of normal prices. The regulation of the grain market requires especially energetic measures. To combat the disorganization in this market, upon which the speculators are counting, it will be necessary to resort to the importation of grain. For this purpose the State Treasury can furnish sufficiently large credits. On the other hand, to insure success for the policy of lowering retail prices on industrial articles it is expedient to have recourse to heavier imports of semi-manufactured products and goods which cannot be turned out in adequate quantities within the Soviet Union. The sum of 43,000,000 gold rubles is available for increased imports. This amount will be enlarged in the future. In general, the grand total of the import and export turnover will grow to approximately 1,000,000,000 gold rubles during the current year, and the fact that it was not possible to obtain a loan in England will not affect the supply of the country's internal market.

In the budgetary realm it will be the task of the People's Commissariat for Finances to confine itself to a firmer adherence to established budget estimates and to the transition from the system of a fixed quarterly budget to a fixed semi-annual budget. Furthermore, this year there will be started the elaboration of the project for a three-year budget plan, which may be made the basis of a three-year budgetary program of activities of the various government departments, the economic organs, industrial enterprises, etc.

Another important task in the budget sphere is the careful analysis of expenditures for which money is laid out, with the aim of introducing the greatest possible economy in the budget. Now, when an actual growth of the budget becomes feasible, it is important to utilize this possibility in a sensible way and to avoid the spirit of cavalier profligacy with money which was characteristic of the ill-reputed Tsarist budget. The project of the annual budget estimate now being examined

by the Council of People's Commissars, has been balanced by the People's Commissariat for Finances with an excess of 180,000,000 gold rubles in revenues and expenditures as against the original budget plan.* Treasury emission (for covering budget deficits) is dead and buried and there cannot even be a thought of returning to it. The cessation of treasury issues is not to be accompanied by a stoppage of issues of bank-notes by the State Bank. The hostile foreign press is attempting to confuse the one with the other. As a matter of fact, these bank-notes are issued by the State Bank in step with the expansion of the trade turnover, so that the growth of the currency volume only bears witness to the recuperation of the country's economic life.†

There is particularly intense and important work ahead in the tax field in 1925. A substantial transformation will be made in the system of the agricultural tax, which, according to a preliminary elaboration by the People's Commissariat for Finances, is to follow along the lines of the income tax still more closely than is now the case. Then it is intended to reduce the total amount of the agricultural tax for the coming year as compared with the present year. One-third of the receipts from this tax is to remain directly in the *volost* (canton) treasuries and go to meet the needs of the *volost* budget which will find a powerful stimulus for development in this source of revenue. Accordingly, in the year 1925-26 an opportunity will be assured the rural regions to make a full start in the direction of a material improvement in local Soviet administration.

It should be remarked that in carrying out the rural assessments in accordance with income a non-assessable minimum will be established, as a result of which all the poor and weak farms will be completely exempted from the tax.

In the cities during the current year it is proposed at first to reduce and then to discontinue altogether the obligatory allotment of bond issues. Furthermore, it is planned to revise the system of rent payments for the purpose of eliminating from them the tax assessment, and to transform the direct taxes in the cities in such a way as would lead to an increased role for the income tax.

The problem of systematizing the local taxes, dues and other local payments is assuming great importance.

It is the intention of the People's Commissariat for Finances in 1925 to strive for a considerable internal betterment in tax administration, and

*The new budget estimate will be printed in the next issue of the *Russian Review*.

†The issue of State Bank notes has been discontinued temporarily for the first three months of 1925.

for the alleviation of excessive taxes wherever they prevail. In this matter the People's Commissariat for Finances proceeds from the correct idea that excessive tax assessment results in inflation of retail prices and creates a situation adverse to the trade and currency turnovers. Precisely on this account it is necessary to improve the State tax system and likewise to moderate the sometimes overzealous policy of local tax pressure.

In conclusion Mr. Sokolnikov remarked that however difficult the Soviet Union's financial condition might still be, nevertheless, the Soviet Government would avail itself of every opportunity afforded to it by improved finances for the purpose of satisfying the most urgent needs of the population. As the best illustration in this connection may be cited the supplementary apportionment of 25,000,000 gold rubles in the State budget for the year 1924-25 to the Central Bank for Housing Construction. This appropriation must be regarded as the first step in a large construction program, which the Soviet Government has set for itself during the course of the next five years. Out of these 25,000,000 gold rubles five million will be paid out during the first three months of 1925 in order to make it possible to start construction work. The Government's special attention will be centered on this building question during the current year. In this feasibility of extensive building during the present year are discernible the first symptoms of that upswing in the country's economic life which has been assured by the heroic sacrifices and unprecedented efforts of the popular masses.

Issue of Bank-Notes Discontinued

Since the beginning of the currency reform (March, 1924) up to January 1, 1925, the total volume of the currency in circulation has increased more than two-fold,—from 356,000,000 gold rubles to 755,000,000 gold rubles—without any prejudice to the purchasing power of the ruble. The increase in the volume of the currency in circulation accompanied by the stability of the monetary unit brought about a considerable revival of trade; it strengthened the purchasing power of the peasantry and increased the demand for the output of the Soviet Union's industries.

The basic problem of the present moment in the field of currency circulation is the establishment of the limits up to which bank notes may be issued. The Soviet Government is approaching this problem with the utmost caution. Although there are still large possibilities for the increase of the currency volume, nevertheless, in the interest of a firm establishment of the currency reform it was decided to discontinue any further issues of bank notes during the second quarter of the current fiscal year, i.e., from January 1, to March 31, 1925.

Excise Taxes in the Budget of the Soviet Union

THE revenues from all excise taxes during the three past fiscal years are expressed by the following figures in gold rubles: 95,519,000 gold rubles in 1922-23; 224,239,000 gold rubles (an increase of 134.7 per cent) in 1923-24; 281,200 gold rubles (an increase of 25 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25 and 301,501,000 gold rubles for the entire Soviet Union during the same year.*

Turning now to an analysis, the receipts from the various excises will be examined in the order of their comparative budget importance.

During the last three fiscal years the excise on beet sugar yielded the following returns in gold rubles: 19,363,000 rubles in 1922-23; 47,078,000 rubles (an increase of 143.1 per cent) in 1923-24; 76,400,000 rubles (an increase of 62 per cent) as a budget estimate for the Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25 or 80,000,000 gold rubles for the entire Soviet Union during the same year.

As is manifest from these figures, the returns from the sugar excise are rapidly growing. They would have increased still faster if the State Sugar Trust had at its disposal more working capital for the developing of beet cultivation and the production of sugar. As a matter of fact, the sugar excise brought more into the Treasury than the figures presented indicate, since that part of the excise receipts which remains with the State Trust for the enhancement of its working capital, appears neither in the revenues nor in the expenditures of the budget. If to the sugar excise receipts for 1922-23 there is added the sum of 8,800,000 gold rubles not recorded as excise revenue for the reason mentioned but accounted as originating from the Sugar Trust, and also if 34,980,000 gold rubles are added for 1923-24 as an amount of a like character, and if it is borne in mind, too, that according to the same calculations the sum of 25,100,000 gold rubles will be similarly retained in 1924-25, then the sugar excise has in reality contributed to the budget 28,243,000 gold rubles in 1922-23, 82,058,000 gold rubles in 1923-24, and it will bring in 105,150,000 gold rubles in 1924-25 (for the entire Soviet Union).

The tobacco excise produced the following revenue in gold rubles: 16,972,000 gold rubles in 1922-23; 33,812,000 gold rubles (an increase of 99.2 per cent) in 1923-24; 36,450,000 gold rubles (an increase of 7 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 41,000,000 gold rubles for the entire Soviet Union during the same year.

*According to the latest information the People's Commissariat for Finances proposes to increase the excise revenues to the amount of 374,000,000 gold rubles.

It is observable that the excise on cigarettes, yellow tobacco and "Makhorka" (cheap tobacco) likewise displays a rapid growth. During the current fiscal year a yield even greater than that indicated in the above data can be expected, and it may reach up to 60,000,000 gold rubles. This is explained by the enlarged sale of tobacco products, partly under the influence of the reduction of approximately 10 to 15 per cent made in the excise taxes on them in May of 1924.

Third place with respect to budgetary importance during the current fiscal year is held by the excise on textile products, which presents the following picture of growing returns in gold rubles: 6,730,000 gold rubles in 1922-23; 25,388,000 gold rubles (an increase of 277.2 per cent) in 1923-24; 24,300,000 gold rubles (a decrease of 5 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25 or 25,000,000 gold rubles for the entire Soviet Union. This excise was non-existent before the war. It will be possible to increase the revenue from this excise tax up to 35,000,000 gold rubles.

Next comes the excise on beer, whose progressive yield is as follows: 6,914,000 gold rubles in 1922-23; 22,499,000 gold rubles (an increase of 225.2 per cent) in 1923-24; 33,940,000 gold rubles (an increase of 50 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 34,200,000 gold rubles for the entire Soviet Union.

Up to the present this excise has developed well. However, during the current fiscal year it will apparently bring in less than the above-cited figures, notwithstanding even a certain rise in the rates (from 1 ruble 30 kopeks up to 1 ruble 70 kopeks per "vedro"). This is explained by the fact that the consumption of beer is beginning to meet strong competition from increased use of liquors.

The excises on liquors, alcohol, and petroleum products play an approximately equal role in the budget, occupying fifth place in importance. In particular, the supplementary excise on various liquors has developed as follows: 765,000 gold rubles in 1922-23; 10,579,000 gold rubles (an increase of 1,282.8 per cent) in 1923-24, and 20,875,000 gold rubles (an increase of 95 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 21,000,000 gold rubles for the entire Soviet Union.

The alcohol excise, which it is convenient to analyze in connection with the foregoing, has given the following results: 4,452,000 gold rubles in 1922-23; 10,417,000 gold rubles (an increase of 133.9 per cent) in 1923-24; and 16,989,000 gold rubles (an increase of 63 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 19,700,000 gold rubles for the entire Soviet Union.

As is evident from these figures, the excise tax on liquors produced much less (one-sixth) in 1922-23 than the alcohol excise, but for the fiscal year expiring on October 1, 1924, it had already caught up with the alcohol excise in receipts, and during the current fiscal year it will produce more than the alcohol excise, since the rates on liquors are being raised. Apparently, in carrying out the budget its yield will total up to 40,000,000 gold rubles, while the alcohol excise will bring in about 35,000,000 gold rubles.

On the other hand, the excise on oil products will diminish in importance due to the comparatively slow increase in the consumption of kerosene, benzine, and lubricating oils and also because of last year's rate reduction (down to 60 kopeks per pood on kerosene and the oils in question). The trend of the receipts from this excise was as follows: 10,650,000, gold rubles in 1922-23; 16,185,000 gold rubles (an increase of 51.9 per cent) in 1923-24; and 19,400,000 gold rubles (an increase of 19 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 21,000,000 for the entire Soviet Union.

In its velocity of growth this excise tax is much behind the others, with the exception of the salt excise. The increase of kerosene consumption in the country is lagging because of the inadequate commercial organization, which hinders its distribution in the rural districts, and on account of the competition of electricity in the cities.

In sixth place may be put the excise on salt, whose distribution throughout the country meets with the same general obstacle as kerosene: the State and private trading enterprises do not like to handle these products because of the small profit on such business, the State and cooperative trading organizations not being allowed to add more than a limited increase to the wholesale prices in retail sales. The salt excise shows the following changes in returns: 12,828,000 gold rubles in 1922-23; 15,536,000 gold rubles (an increase of 21.1 per cent) in 1923-24; and 11,800,000 gold rubles (a decrease of 24 per cent) as a budget estimate for the Soviet Union exclusive of Transcaucasia and the Far-Eastern Region during 1924-25, or 12,500,000 gold rubles for the entire Soviet Union.

As is noticeable, the revenue from this excise exhibits a decreasing tendency as the result of a marked reduction of its rates which began last year but will be fully felt only during the current year. Although in carrying out the budget this excise will yield from one to two million rubles more than the estimated total for 1924-25, it is nevertheless proposed in succeeding years to proceed to its gradual abolition through the reduction of rates, since this tax is harmful both to the public health and to a number of industries, to a greater extent than other excise taxes.

In 1923-25 the excise on grape wines yielded 11,100,000 gold rubles, while that on tea and coffee produced 11,200,000 gold rubles. The budget estimates for the receipts from these two taxes during 1924-25 are 12,400,000 and 12,000,000 gold rubles respectively for the entire Union of S. S. R.

The development of wine consumption in the Soviet Union and also, consequently, of the excise revenue therefrom meets an obstacle in the insufficiency of operating capital, the high assessment on the wines, their dearness and competition on the part of beverages more popular with the masses—beer and liquors of all kinds. The pre-war circle of wine consumers—the bourgeoisie of all grades, the higher officials and persons in the liberal professions—has shrunk greatly. Even for the most highly paid specialists in the country wines are too expensive for frequent consumption, and only under this condition could such an excise yield much. Undoubtedly, its importance will decline, and in time it will either be abolished altogether, or the excise rates on wine will be reduced in the interests of wine production, on whose development this high assessment has exercised a negative effect despite the various facilities granted in the vineyard regions.

The growth of the consumption of tea and coffee has been impeded up to the present time by a high excise tax, which has now been lowered to 50 kopeks (instead of 1 ruble 20 kopeks) per pound for tea. Although this circumstance is giving tea consumption an immense impetus during the current year, leading to the expectation of sales of up to 30,000,000 pounds, still the excise receipts will in fact surpass the figures cited for 1923-24 by but little, until the excise reduction on tea and the lowering of several other elements of its cost are reflected in the retail prices, i.e., until they reach the consumer.

Of the principal excises there still remain to be considered the excise on yeast and that on matches. As compared with the previous year (4,900,000 gold rubles), the yeast excise is to be increased to 8,000,000 rubles, i.e., by almost 60 per cent. In 1923-24 the excise on matches produced 9,200,000 gold rubles, and for 1924-25 a yield in the amount of 8,000,000 gold rubles is projected. The development of this excise was obstructed by the high assessment (6 rubles 50 kopeks per case of 1,000 boxes) and the competition of benzine lighters, which underwent an enormous distribution during the revolutionary period, as two years ago there were almost no matches at all.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.
 1 verst equals about two-thirds of a mile (0.66).
 1 arshin equals 0.77 yard.
 1 sazhen equals 7 feet.
 1 dessiatin equals 2.70 acres.
 1 vedro (bucket) equals 3.25 gallons.
 1 gold ruble equals \$5.14.
 1 chervonetz equals 10 gold rubles; its gold parity is \$5.14.

Banks in the Soviet Union

THE annual 1923-24 statement of the Foreign Trade Bank of the Union of S.S.R. (formerly the "Roskombank"—Russian Commercial Bank), approved by the general stockholders' meeting on December 17, 1924, makes it possible to appraise the results of the six months of work performed by this organization, after the transformation of the former Russian Commercial Bank into a credit institution with the financing of the country's foreign trade turnover as its own special task.

The task set before the reorganized bank demanded, above all, a considerable enlargement of its capital resources. The elapsed fiscal year was one of rapid expansion in the Soviet Union's foreign commerce, requiring ever greater financing. This augmenting need for credit funds on the part of foreign trade, in conjunction with the greater variety of exports and the multiplication of trade connections, could no longer be satisfied by the single source which had hitherto financed it, i.e., the State Bank. In like manner, too, the use of the resources of the Russian Commercial Bank within the limits attained prior to its transformation into the Foreign Trade Bank of the Union of S. S. R. would have been inadequate.

In view of this special attention was devoted to increasing both the resources of the bank itself and the funds attracted from outside sources. The bank's capital stock constituting 10,000,000 gold rubles at the time of its reorganization, was doubled and by the end of the fiscal year 1923-24 it had already been paid in to the extent of 18,400,000 gold rubles. The bank inaugurated the current fiscal year (October 1, 1924, to October 1, 1925) by opening its books for the receipt of subscriptions to a third stock issue, also in the amount of 10,000,000 gold rubles.

In conjunction with this energetic efforts were made for the development of deposit operations, which showed an increase in the total balance on hand under current accounts and deposits from 2,835,000 gold rubles on October 1, 1923, to 19,161,000 gold rubles on October 1, 1924, i. e., a growth of 6¾ times. The enlarged credit with the State Bank was utilized to a considerably smaller extent; though the indebtedness to the latter institution rose (according to the condensed balance sheet) from 3,496,000 gold rubles to 6,487,000 gold rubles, the ratio of this factor to the grand total of the bank's balance sheet fell from 12.6 per cent to 9.9 per cent, whereas the corresponding relative importance of deposits and current accounts advanced from 10.2 per cent up to 28.5 per cent.

Finally, a fourth source of addition to the resources for financing foreign commerce was the withdrawal of the funds that had been dedicated by the Russian Commercial Bank to credits for private clients, chiefly in trading enterprises. On October 1, 1923, these funds aggregated 9,595,000

gold rubles, but by October 1, 1924, they had been reduced to 1,718,000 gold rubles; and all the resources thus liberated were employed in conformity with the bank's new objectives.

During the first half of the year the amount of the condensed balance sheet of the Russian Commercial Bank almost remained stationary—27,696,000 gold rubles on October 1, 1923, and 29,856,000 gold rubles on April 1, 1924, although the balance sheet totals of other banks registered marked growth for the same period. During the second half of the year, however, after reorganization, the grand total of the balance sheet began to augment rapidly, having risen to 47,689,000 gold rubles by July 1 and to 65,252,000 gold rubles by October 1, 1924.

Turning to the bank's employment of its resources, it must first of all be observed that toward the end of the fiscal year the major part was directed to discount and loan operations. The discount and loan item in the balance sheet constituted 12,406,000 gold rubles, or 43.8 per cent, on October 1, 1923; 11,268,000 gold rubles, or 37.7 per cent, on April 1, 1924; and 38,722,000 gold rubles, or 59.3 per cent, on October 1, 1924. Discounting operations displayed an especially large increase for the year—from 941,000 gold rubles to 23,200,000 gold rubles, i.e., almost 25-fold; while loan operations rose from 11,475,000 gold rubles to 15,522,000 gold rubles, or by 25 per cent only. This is explained by the large amount of bills of exchange discounted—16,302,000 gold rubles, and also by the appearance on the balance sheet of a new item—discounted drafts, on which 6,898,000 gold rubles had been extended by the end of the fiscal year. Here it must be remarked that the bank proceeded very cautiously in guarantee endorsement operations, so that its liability in this respect aggregated only 2,346,000 gold rubles by the end of the fiscal year.

The internal reconstruction of the credit work in the sense of a transition to the financing of foreign trade may be illustrated by the following figures: on April 1, 1924, the indebtedness of organizations operating on the foreign market constituted 1,943,000 gold rubles, or 17.4 per cent, of the total indebtedness of 11,144,000 gold rubles by all clients with respect to loan and credit operations and guarantee endorsements (by the main office), while by October 1, 1924, it had grown to 29,967,000 gold rubles, or 84.9 per cent of the total indebtedness of 35,294,000 gold rubles. Thus, the transition to the financing of foreign trade was very successfully carried out within the course of a six-month period.

After its reorganization the foreign currency operations, bound up with the bank's foreign work, expanded considerably: during the first half of 1923-24 foreign currency was purchased in the amount of 1,273,000 gold rubles, and during the course of the second half in the

amount of 16,233,000 gold rubles, i.e., nearly 13 times more. During the first half year the sales of foreign currency totaled 1,072,000 gold rubles, and during the course of the second half—21,187,000 gold rubles, i.e., 20 times more. During the current fiscal year the bank's activity in the purchase and sale of foreign currency is being still further increased. Thus, for October (the first month of the current fiscal year) 4,137,000 gold rubles of foreign currency was sold, for November 5,961,000 gold rubles; foreign currency purchases for October amounted to 4,284,000 gold rubles, and for November to 7,215,000 gold rubles. It must be observed that during the first half of the fiscal year 1923-24 the foreign currency transactions occurred mainly with private persons—90 per cent of the purchases and 65 per cent of the sales, whereas during the second half of the year the predominating importance was possessed by the transactions with the State institutions and enterprises.

The bank's foreign remittance operations likewise attained substantial dimensions: during the course of the year 138,691 transfers from abroad, totaling 7,889,000 gold rubles, were accepted for payment by the bank, while 7,798 transfers, totaling 18,794,000 gold rubles, were issued by the bank for payment abroad. The number of the bank's foreign correspondents increased from 82 to 123 during the fiscal year (1923-24) under review, and during the first months of the current fiscal year (beginning October 1, 1924) connections were formed with a number of banks operating in the United States.

Insofar as the task of the internal transformation of the Russian Commercial Bank into the Foreign Trade Bank was accomplished during the expired fiscal year, the institution is confronted during the current fiscal year with the problem of a further energetic accumulation of the resources of foreign trade organizations for the purpose of utilizing them in financing foreign commerce. The bank's capital will be enlarged to 30,000,000 gold rubles during the forthcoming months. Simultaneously measures will be taken to attract into the bank the liquid funds of the foreign trade organizations, both within the territory of the Soviet Union and abroad.

The important question of attracting foreign funds to the financing of the Soviet Union's exports and imports during the current fiscal year is being approached by the bank through direct negotiations by its representatives with foreign credit institutions. The negotiations are already producing actual results and are thereby facilitating the situation of the credit institutions in the Soviet Union devoted to the financing of foreign trade. It is expected that the next annual statement of the Foreign Trade Bank of the Union of S. S. R. will make it possible to observe great progress in this direction.

Capital of the State Bank Increased to 100,000,000 Gold Rubles

In order to enlarge the capital stock of the State Bank of the Union of S. S. R. so as to enable it to meet the increasing volume of its financial operations, the Central Executive Committee and the Council of People's Commissars have adopted the following decision:

1. The amount of the capital stock of the State Bank of the U. S. S. R. is to be fixed, from October 1, 1924, at 10,000,000 chervontzy (100,000,000 gold rubles).

2. In order to enable the State Bank of the Union of S. S. R. to increase its capital to the amount stated in Article 1, permission is granted to the State Bank to transfer to its capital account 1,500,000 chervontzy (15,000,000 gold rubles) out of the reserve fund (as per balancesheet of the bank on October 1, 1924) for the liquidation of sundry accounts; and in addition, to appropriate to the State Bank 3,500,000 chervontzy (35,000,000 gold rubles), from the gold reserves of the U. S. S. R., by transferring said item from the account of the time deposits of precious metals, placed in the State Bank by the People's Commissariat for Finances of the U. S. S. R.

The Moscow Municipal Bank

At a meeting of the stockholders of the Moscow Municipal Bank in December, 1924, a report on the activities of the institution for the past fiscal year was presented by Mr. M. V. Popov, Chairman of the Board of Directors.

The report brought out the fact that the total resources increased 247 per cent during the year—from 30,421,000 gold rubles up to 75,297,000 gold rubles. The bank's capital stock doubled during the expired fiscal year—rising from 3,500,000 gold rubles to 7,000,000 gold rubles. The total turnover for the head office and its branches constitutes 4,806,000,000 gold rubles for the fiscal year 1923-24.

Two-thirds of all the funds extended by the bank go to State institutions and enterprises in Moscow. In the extent of credits granted first place belongs to the industrial enterprises, with which the bank is most closely connected. In general, from 43 to 54 per cent of all the resources devoted by the bank to credit operations fall to the share of the industrial enterprises.

Second place is occupied by State trading establishments and cooperative organizations—chiefly consumers' cooperatives.

The bank has built up its interrelations with trade by way of satisfying in the first place the demands of the Moscow market.

The share of the State trading organizations in the bank's credit operations (loans and discounts) fluctuates within limits of from 7 to 12 per cent of the total credits extended by the institution.

The percentage of the credits accorded to the cooperatives varies very slightly, not falling below 20.05 per cent and not rising above 26.52 per cent.

The credit facilities extended to industry, State trading organizations and to the cooperatives were of a short-term character.

With reference to long-term credits, it is above all necessary to class here the repair and building loans, which underwent a very considerable development during the elapsed fiscal year. In all, the Moscow Municipal Bank granted 2,156 such loans with a debit turnover of 7,400,000 gold rubles. The significance that these operations possess for Moscow's housing situation is evident from the fact that through the aid of the bank 28 per cent of all the housing associations obtained an opportunity of carrying out necessary repairs in due time. In comparison with the fiscal year 1922-23, these operations show a 28-fold growth during 1923-24.

The report pointed out the important role of the Moscow Soviet in the bank's deposits and current accounts, as well as in the capital account. Thus, the share of the Moscow Soviet in the bank's capital stock amounts to 70 per cent; and the funds of the Moscow Soviet in current accounts and on deposit fluctuated between 54.25 per cent and 68.05 per cent of the total.

The activity of the bank's branches is continually expanding. The total resources of the branches were 1,990,000 gold rubles on October 1, 1923, and 11,472,000 gold rubles on October 1, 1924, i.e., they augmented six-fold. This growth was due not only to an increase in the number of branches, but also to the growth in the operations of the individual branches; the average figure of the total resources per branch amounted to 133,000 gold rubles on October 1, 1923, and to 400,000 gold rubles on October 1, 1924. The deposits and current accounts of the branches aggregated 1,740,000 gold rubles on October 1, 1923, and 10,172,000 gold rubles on October 1, 1924, i.e., they grew six-fold.

The loan and discount operations of the branches display the same growth as the deposit and current account operations. The indebtedness to the branches under the head of loan and discount operations amounted to 1,534,000 gold rubles on October 1, 1923, and to 10,893,000 gold rubles on October 1, 1924—an increase of 6.6 times.

Whereas the head office was primarily connected with industry in its loan and discount operations, the district branches, on the contrary, were to a larger extent serving the needs of commerce, chiefly cooperative. Therefore, the cooperatives occupy a larger place in the loan and discount operations of the branches than in those of the head office: on October 1, 1924, their indebtedness amounted to 4,830,000 gold rubles, which consti-

tuted 45 per cent of the entire indebtedness of the clientele of the bank's branches.

The stockholders' meeting approved the activity of the Board of Directors and of the technical

staff. At the same time the meeting decided to increase the bank's capital stock by 8,000,000 gold rubles, raising the total to 15,000,000 gold rubles.

Industrial Progress in the Soviet Union

THE paper mills combined in the Central Paper Trust form the basis of the paper industry in the Soviet Union. Throughout the years of Revolution the entire burden of the work lay on these factories, which operated without interruption in the face of an almost total lack of repairs. The Trust, organized in 1922, was forced to take prompt steps for a thoroughgoing overhauling and reequipment of these plants, after which their technical capacity began to recover and their

production to increase. To supply the paper mills with fiber the Central Paper Trust had to reestablish the Sverdlov (formerly the Sukhonsky) Cellulose Mill, reconstructing it almost completely in accordance with the latest technical improvements, as a result of which the monthly output of this plant went up from 60,000 poods in 1923-24 to 100,000 poods in 1924-25.

The work of the paper factories of the Central Paper Trust is illustrated by the following data:

	1918	1920	1921	1922-23	1923-24	Program for 1924-25
Total Gross Output in Poods.....	3,970,000	874,000	850,000	1,828,000	2,996,000	4,448,000
Consumption of fire-wood in cubic sazhen per 100 poods of paper.....		3.2	3.2	2.0	1.84	1.7
Consumption of fibrous material in poods per 100 poods of paper.....		133	128	120	110	110-112

From the figures cited it is apparent that in comparison with the year 1921 the output of paper rose more than two-fold in 1922-23 and more than 3½ times in 1923-24, while according to the program for 1924-25 an increase to more than five-fold is projected. The total output in poods during the current fiscal year is to exceed the pre-war quantity by 12 per cent.

The transition of the plants of the Central Paper Trust to continuous work beginning with October, 1924, the setting into operation of all the available paper-making machines, 27 in number, the transition to the filling of large-scale orders, the specialization in one variety of paper by entire factories and by each individual paper-making machine, the running of the paper-making machines at a higher speed—all this renders the program for 1924-25 quite positive.

Technical efficiency has also been improved: the consumption of fiber stock per 100 poods of paper fell from 133 down to 110 poods, that is, it reached the normal standard.

Results not less notable are given by the figures presented with respect to fuel consumption, which diminished from 3.2 cubic sazhen of fire-wood per 100 poods of paper down to 1.84 cubic sazhen, a decrease of 42.5 per cent. A further decrease is assured in 1924-25, thanks to the restoration of the steam power equipment by means of major repairs. The decrease in fuel consumption is also to be explained by the higher quality of fuel and the increased productivity of the machines, which naturally diminished the proportional expenditure of fuel and mechanical energy.

Important progress was likewise made in improving the quality of the paper. The paper

turned out in 1920-21, of whatever variety it might be called, with rare exceptions, resembled wrapping paper more than anything else. At the present time the mills are putting out paper of the normal pre-war quality and they are manufacturing all sorts.

The production of chemical pulp in the mills of the Central Paper Trust also made progress during the period under consideration: the output was 1,967,000 poods in 1913; 827,000 poods in 1920; 1,130,000 poods in 1922-23; and 1,848,000 poods in 1923-24. Under the program for 1924-25 an output of 2,830,000 poods is planned, which will constitute 144 per cent of the pre-war production.

Extensive repairs are restoring the badly worn and dilapidated equipment of the chemical pulp mills.

The increased production of chemical pulp was accompanied by an improvement in the quality, which attained the normal standard, thus making it possible to produce paper as good as before the war.

Here, too, as in the production of paper, the quantitative increase in the output was accompanied by lower consumption of raw materials per unit. The decrease of wastage in clearing the logs of bark, as well as the elimination of occurrences of unsuccessful cooking, rendered it possible to obtain a normal output of chemical pulp from the logs used. The consumption of chemicals (pyrites and sulphur) was also reduced and brought down to normal. As in the case of paper manufacture, the average expenditure of fuel was likewise decreased.

The program designated for 1924-25 is quite concrete. The completion of repairs and installations

left over unfinished from 1923-24 will make it feasible to raise production by from 25 to 30 per cent, i.e., bring the output for all the chemical pulp mills of the Central Paper Trust up to between 3,500,000 and 3,650,000 poods. The further increase of chemical pulp production, one of the basic semi-finished products for the paper industry, can be realized only through new mill construction.

The production of mechanical pulp by the Central Paper Trust mills is indicated by the following data: 621,000 poods were produced in 1913; 194,000 poods in 1920; 463,000 poods in 1922-23; and 540,000 poods in 1923-24. In the program for 1924-25 a total output of 538,000 poods is scheduled, which represents an increase of $2\frac{3}{4}$ times as compared with the figure for 1920, but does not equal the 1913 production, constituting only 86.6 per cent of the latter. The reason for this shortage of production as compared with the year 1913 is due to the fact that the Kamensky Pulp Mill, which was run by steam, had to be shut down for reasons of economic expediency because of the antiquated condition of the steam power plant.

To make up for the stoppage of this mill and to supply the Kamensky Paper Factory, the Central Paper Trust is elaborating a project for the construction of a new Selizharsky mill, to be run by water power and to have an annual output capacity of 450,000 poods of pulp. In addition to this, the Central Paper Trust has set itself the task of increasing the production of the Okulovskiy plant by 150,000 poods and that of the Sokolsky mill by 75,000 poods; and it has also decided to establish a pulp mill at the Penza factory with an output of 60,000 to 75,000 poods of mechanical pulp. The measures in question will enable the Central Paper Trust to bring its output of mechanical pulp up to 1,300,000 poods within the next two years and to reduce to a minimum its imports of foreign pulp.

Report on the Textile Industry

In a report on the prospects and growth of the textile industry Mr. Kilevits, President of the Textile Syndicate, pointed out that the situation of the textile industry had greatly improved during the past fiscal year 1923-24. In 1923 the textile industry had passed through a serious crisis due to lack of sales. At present, despite the considerably augmented output, the cotton industry is readily selling its goods without having any surplus left whatever. Several varieties of cotton goods are undergoing a keen demand, which will be satisfied through the forthcoming substantial rise in production.

On the whole, the textile industry has grown two-fold during the past two years. Thus, if the output of cotton yarn is set at 100 for the year 1921-22, the total would be 145 per cent for 1922-23, and 199 per cent for 1923-24; for the

linen industry the figures are: 100 in 1921-22, 131 per cent in 1922-23, and 237 per cent in 1923-24; for the woolen industry: 100 in 1921-22, 150 per cent in 1922-23, and 199.3 per cent in 1923-24.

The textile industry's rate of increase is extremely marked and is unusual even abroad.

An output expansion of no less considerable dimensions is expected for the coming fiscal year. Thus, while 890,000,000 meters of unfinished goods were turned out in 1923-24, it was proposed to produce 1,300,000,000 meters, (i.e., an increase of 46 per cent) in 1924-25. In the woolen industry the increase will reach 23 per cent, and in the linen industry 10 per cent.

The fact that in 1923 the textile industry, despite the modest dimensions of its output could find no market for its output, while in 1924 the demand exceeded even the increased output, was explained by Mr. Kilevits by a number of causes: during the former year the sale of textile goods had been hindered by the great discrepancy in the prices of industrial and agricultural products, so that textiles were not within the reach of the broad consuming masses; depreciating currency had also been a disturbing factor. The readjustment of price ratios (for industrial and agricultural products) and the introduction of a stable exchange medium increased the peasantry's purchasing power and expanded the capacity of the market in 1924. At the present time the textile industry's basic problem is the fulfillment of the constantly growing market demand.

The prospects of the textile industry are brilliant. Before the war 25 to 27 arshins of textile fabrics were required for each member of the population; at the present time only 12 to 13 arshins are employed per person. In the West not less than 50 arshins are produced per person. Accordingly, in connection with the improved living conditions of the working masses there must be an increased demand for textile fabrics and the industry's output must grow parallel with it.

The factories are running at 55 per cent of full capacity in the cotton industry, 65 per cent in the woolen industry, and 94 per cent in the linen industry.

Before the textile industry lies the prospect of the broadest development for all its branches.

After reviewing the various branches of production, Mr. Kilevits turned to the question of the degree to which the textile industry is provided with raw materials and supplies.

The Soviet Union's cotton area and cotton crop are increasing steadily from year to year. In 1920-21 the area planted with cotton amounted to 65,000 dessiatins, while in 1923-24 it aggregated 400,000 dessiatins, i.e., 50 per cent of the pre-war total. Under the plan elaborated by the Chief Cotton Committee the further development of cotton growing is forecast at 510,000 dessiatins for

1924-25, 675,000,000 dessiatins for 1925-26, and 780,000,000 dessiatins in 1926-27, when it will equal the pre-war area.

Passing over to the matter of credit facilities for the Soviet Union's textile industry on foreign markets, Mr. Kilevits pointed to the success attained in this regard: foreign firms had extended credits to the amount of 16,000,000 gold rubles on very favorable terms for Soviet cotton operations.

This year (1924-25) foreign cotton would be employed by the industry to the extent of 40 per cent (as against 60 per cent in 1923-24).

In like manner textile production is not experiencing any fuel difficulties. The process of changing over to mineral and liquid fuels is going forward intensively.

In conclusion Mr. Kilevits touched upon the figures illustrating the progress made on the road to cheaper production costs. He stated that the textile industry had enjoyed the support of the trade unions in its process of development. With a view to the further cheapening of production it is indispensable to bring about the standardization of all branches of production, the transition of the factories to large-scale production, and the elevation of labor productivity.

The Soviet Wool Industry

The number of spindles and looms engaged in the wool industry during 1923-24 was 348,500 and 8,965 respectively. The total production of woolen goods was as follows: coarse cloth—7,980,062 meters (this is 156.6 per cent of the previous year's production), fine woolen goods—8,438,235 meters (128.2 per cent of previous year's), worsted goods—11,611,171 meters (114.9 per cent of previous year's); altogether 28,070,068 meters of woolen material were produced or 128.7 per cent of the production of 1922-23.

During 1923-24 the woolen industry reached 51.6 per cent of pre-war production, and as compared with the previous year shows an increase of 28.7 per cent.

The market depression in the autumn of 1923, which strongly affected the wool industry, forced the wool trusts to make reductions in the prices with a view to meeting the situation. This proved a strong factor in increasing the sales of wools. In spite of the continual increase of production from month to month, the wool trusts are able to dispose (wholesale and retail) of 93 to 95 per cent of their output.

Output of the Timber Trusts in 1923-24

The following figures indicate the extent to which the timber trusts fulfilled their programs for the fiscal year 1923-24.

During the past fiscal year the Volga-Caspian Timber Trust had 23 mills in operation altogether,

and they turned out 22,000,000 cubic feet of lumber; taking the squared beams into account also, a total of 30,218,000 cubic feet (138.3 per cent of the scheduled quota) was put through the sawing-machines. As 14,299 mill shifts were worked through, the output per shift constituted 2,113 cubic feet. Out of the sawed rough stock 15,140,000 cubic feet of finished lumber (134.8 per cent of the quota) were obtained, the yield of finished lumber being 69.1 per cent of the rough timber.

The average number of workers on each shift amounted to 30 men, so that the output was 51 cubic feet of sawed timber, exclusive of the squared beams, per worker.

The 16 operating mills of the Verkhne-Vologda Timber Trust sawed 9,072,000 cubic feet (124.5 per cent of quota) of rough timber and if squared beams are included, 11,190,000 cubic feet (132 per cent of quota.) The total finished lumber derived was 4,964,000 cubic feet, the percentage of the net outturn being 56.5 per cent of the rough timber.

There were 9,105 shifts (119 per cent of quota) worked through, and the average output per shift amounted to 1,229 cubic feet (111 per cent of quota). The substantial excess over the scheduled quotas is due to the intensified production by some mills for export during the final quarter. Toward the end of the year the number of workers per shift decreased to 32 instead of 40 as it had been during the early months of the year. The output of the individual worker amounted to about 34 cubic feet of sawn timber per shift.

Plans for Increasing Leningrad's Industry

According to a five-year plan for the development of the industry of Leningrad, formulated by the Industrial Bureau, it is estimated that the output of the industries under the jurisdiction of the Bureau will amount—in 1924-25, to 162,000,000 gold rubles, in 1925-26, to 210,000,000, in 1926-27 to 265,000,000, in 1927-28, to 311,000,000, and in 1928-29 to 356,000,000 gold rubles.

As compared with pre-war figures, the value of the production in the five years will have increased from 40 to 88 per cent.

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Soviet State Industries in Figures

THE situation of the Soviet State industries during the fiscal years 1922-23 and 1923-24 (ending October 1, 1924), is presented in the two tables below as established on the basis of preliminary data published recently by the Central Statistical Department of the Chief Economic Administration of the Supreme Council of National Economy of the Soviet Union:

Number of Establishments, Labor Force, and Value of Output

Industrial Branch	Number of Plants Working During Year		Number of Workers in their Employ at End of Year		Value of their Output in gold Rubles at Pre-war Prices	
	1922-23	1923-24	1922-23	1923-24	1922-23	1923-24
Fuel	163	165	209,047	215,875	189,866,600	230,307,900
Including:						
Coal ¹	81	75	164,976	171,094	64,875,000	87,614,000
Oil	63	69	37,934	39,874	110,704,600	127,276,900
Ores	59	54	18,057	20,079	4,155,500	7,648,500
Salt	58	38	10,076	7,902	4,808,300	5,049,900
Silicates (Glass, etc.)	193	163	46,000	54,428	18,384,700	26,218,000
Metals	418	333	278,536	308,232	193,725,500	258,479,000
Electrical.....	32	29	14,630	18,297	29,368,900	39,599,400
Electric Power Stations.....	26	32	6,593	6,633	36,014,900	39,839,100
Textile	328	298	344,286	440,563	329,234,300	432,105,100
Including:						
Cotton	132	116	215,290	298,293	174,105,600	236,300,800
Woolens	79	80	52,101	58,096	71,978,900	87,765,900
Linens	65	57	63,248	70,511	73,709,200	96,476,900
Apparel and Toilet Articles ²	43	77	14,313	23,008	16,402,200	24,118,400
Leather	280	201	27,344	27,904	65,081,000	63,086,600
Chemicals	179	171	40,242	46,176	85,748,500	117,852,500
Including:						
Heavy chemicals.....	29	32	10,444	12,227	14,519,300	24,703,300
Rubber	3	3	10,247	10,407	41,089,000	37,931,600
Match	57	40	11,299	10,081	3,900,500	5,072,800
Working of Fats and Bones.....	36	39	4,378	6,818	16,770,800	31,462,100
Foodstuffs	194	290	23,439	42,569	72,334,700	181,144,900
Including:						
Tobacco	24	26	12,333	14,504	25,770,500	24,910,300
"Makhorka" (Cheap tobacco)	16	17	2,952	3,362	3,418,400	4,365,700
Vegetable Oil.....	93	86	3,548	2,694	32,572,700	37,060,800
Woodworking	500	336	38,062	34,724	48,987,300	62,278,500
Including:						
Sawmills	398	261	31,539	24,229	42,023,900	53,027,800
Printing and Allied Trades	237	119	24,114	25,643	16,776,500	17,020,900
Paper	58	62	21,269	24,319	16,935,000	26,977,200
Other Industries.....	51	42	25,748	22,926	22,094,700	23,661,600
Total for steadily operating branches.....	2,319	2,410	1,137,206	1,325,278	1,149,398,600	1,509,987,500
Plus seasonal branches:						
Peat Production	359	257	85,272	56,252	9,936,900	12,000,000
Beet Sugar.....	112	122	85,869	78,021	28,891,000	54,430,700
Distilling ³	148	48	3,454	533	3,207,600	1,085,800
Total for seasonal branches⁴	619	427	174,595	134,806	42,035,500	67,516,500
GRAND TOTAL	3,438	2,837	1,311,801	1,460,084	1,191,434,100	1,577,504,000

¹Not including Turkestan and the leased mines of the Donets basin.

²In 1922-23 knitted fabrics were not included in this industry.

³The figures for 1922-23 were given together with the yeast industry.

⁴The brick industry is not included in the total for seasonal industries.

Output of Principal Products in Natural Units

Industrial Branch	Name of Product	Accounting Unit	Output in 1922-23	Output in 1923-24
Coal.....	Bituminous coal.....	Tons	8,768,100	11,150,100
	Anthracite coal.....	Tons	2,034,700	2,982,600
	Total coal.....	Tons	10,802,800	14,132,700 ¹
Petroleum.....	Crude petroleum.....	Tons	5,166,400	5,939,800
	Kerosene.....	Tons	533,500	706,700
Peat.....	Peat.....	Tons	2,206,400	2,553,700 ²
Ores.....	Iron ore.....	Tons	422,171	894,922
	Copper ore.....	Tons	61,905	100,369
	Manganese ore.....	Tons	71,427	104,545
Salt.....	Salt.....	Tons	1,026,701	1,014,751
Metals.....	Cast-iron.....	Tons	300,107	664,834
	Martin steel.....	Tons	589,550	1,000,717
	Rolled iron.....	Tons	456,786	693,858
	New locomotives.....	Number	100	177
	New cars.....	Number	345 ³	527 ³
Cotton.....	Yarn.....	Tons	74,394.2	99,817.1
	Unfinished goods.....	Meters	621,294,000	890,096,600
	Finished goods.....	Meters	581,428,000	835,885,600
Wool.....	Yarn.....	Tons	14,563.6	19,267.2
	Unfinished goods.....	Meters	23,988,500	32,488,800
	Finished goods.....	Meters	21,871,200	29,103,700
Linen.....	Yarn.....	Tons	29,408.9	87,893.8
	Unbleached fabrics.....	Meters	78,775,300	107,044,500
Cement.....	Portland cement (packed).....	Tons	191,085	329,243
Glass.....	Glass and crockery.....	Tons	70,860	89,130
Porcelain-China.....	Porcelain and china.....	Tons	12,063	17,574
Heavy chemicals.....	Acids.....	Tons	70,514 ⁴	130,251 ⁴
	Alkalies.....	Tons	84,215	115,106
	Superphosphates.....	Tons	6,779	20,997
	Other salts.....	Tons	40,873	59,245
Rubber.....	Rubber shoes.....	Pairs	9,970,800	6,217,200
	Tires and tubes.....	Number	491,631	354,719
Match.....	Matches.....	Cases	1,423,500	1,851,400
Working of fats and bones.....	Household soap.....	Tons	19,569	33,725
Tobacco.....	Tobacco.....	Kilograms	642,565	856,403
	Cigarettes.....	Millions	12,507.5	12,275.3 ⁵
	Total smoking units.....	Millions	14,076.6	18,145.3
"Makhorka" (cheap tobacco).....	"Makhorka".....	Kilograms	13,998,886	18,459,273
Vegetable Oil.....	All vegetable oils.....	Quintals	866,477	1,002,237
Starch-Dextrine.....	Starch products.....	Tons	18,247.7	17,851
Yeast and Distilling.....	Yeast.....	Kilograms	2,906,776	8,319,542
	Alcohol.....	Degrees	86,028,920	54,887,840
Beet-sugar.....	Brown sugar expressed in white sugar quantities.....	Tons	200,389	379,071
Sugar refining.....	Refined sugar.....	Tons	50,346	130,248
Paper.....	Paper.....	Tons	66,681	113,553
	Cardboard.....	Tons	9,422	11,694
Leather.....	Skins and Hides expressed in hide units.....	Number	5,812,398	5,997,272
Shoe.....	Shoes expressed in light shoe units.....	Pairs	3,720,397	4,012,696
Sawmill.....	Lumber.....	Cu. Meters	3,155,000	3,740,400

¹ Not including Turkestan and the leased Donets mines.² By machine methods.³ Passenger, freight and tank cars.⁴ Sulphuric acid.⁵ Including 4,200,000 "makhorka" cigarettes.

Foreign Trade Items

In conversation with the representative of the Moscow daily, "Izvestia," Mr. Shumiatsky, diplomatic and trade representative of the U. S. S. R. in Persia, made the following statement:

The principal articles of Russian export to Persia are petroleum products, sugar, matches, iron and glass, and the principal industries concerned in such exports to Persia are those of the north-west region. In 1922, Russia exported to Persia only 400,000 poods of oil, while in 1923 the export of that commodity amounted to 750,000 poods. In 1924 Soviet exports attained 1,500,000 poods which exceeded the pre-war standard. It should be pointed out that in the matter of kerosene sales, the Soviet Union has conquered new market regions in the southern part of Persia and in the region of Southern Turkestan, which formerly had been exclusively in the hands of American and English firms. Sales of sugar are also rapidly increasing: in 1922, Soviet Russia exported 100,000 poods; in 1923, 350,000 poods; in 1924, 600,000 poods, which brought Soviet sales of sugar in Persia up to 50 per cent of the pre-war standard.

This considerable increase in Soviet sales in Persia, as well as the interest shown in this trade by the native merchants, is due to the organized forms and methods of the Soviet trade policy. The Soviet Union has succeeded in creating eight great mixed Russo-Persian joint stock companies. In order to reestablish cotton growing in Persia she has created the "Perso-Cotton" company ("Persokhlopok"), which has already rehabilitated 75 per cent of the cotton production in Persia. In 1924-25, the U. S. S. R. is to import 1,200,000 poods of cotton, a quantity exceeding the import figures of the pre-war period.

For rehabilitating the Persian production of silk, the "Pers-Sholk" company has been founded. This company during its first year exported 100,000 dried cocoons of the best variety to Italy, and planted 3,000,000 mulberry trees. A number of silk spinning mills have been opened.

The Russo-Persian Bank has considerably increased its operations: in 1924 these operations amounted to 9,000,000 gold rubles, with a capital of 4,000,000 gold rubles.

For the organization of electrification in Persia special mixed companies are being formed, in which the Leningrad electro-technical industry will play a prominent part.

Mr. Shumiatsky stated that the work of the Leningrad Feeble Current Trust in constructing radio stations for Persia was characterized by extreme care and excellent condition of the product.

The manner in which the Soviet Union has carried out the Persian orders for aeroplanes is also of interest. These orders had been given to French automobile factories, but the French aero-

planes turned out to be unsatisfactory. The Soviet aeroplanes, in spite of the difficulties arising in transit, arrived in Persia in good condition, and at present constitute the basis of Persian aviation.

The sale of Soviet agricultural machinery in Persia is increasing. A further reduction in the prices of Soviet industry will enable the U. S. S. R. to crowd out its Japanese, English and Swedish competitors. At the present moment the total volume of Soviet trade with Persia exceeds 16,000,000 gold rubles, and is rapidly approaching the pre-war volume, which it will doubtless soon exceed.

Russian Precious Stones on Foreign Markets

A systematic method of disposing of the products of the Precious Stone State Trust (Russkie Samotzveti) on foreign markets has recently been evolved by the Industrial Planning Commission of the Supreme Council of National Economy.

The principal buyer of Russian precious stones is America, the capacity of whose markets is quite extensive. In 1923 the exports of precious stones amounted to 1,800,000 gold rubles, of semi-precious stones—to 11,000,000 gold rubles, and of various articles—to 6,000,000 gold rubles. America is greatly interested in the Trust's products, chiefly in those which are of a purely national character.

The Trust has at present a stock valued at 1,200,000 gold rubles.

Iron and Manganese Ore Exports from the Ukraine

An agreement has been entered into between the Southern Ore Trust of the Krivoi-Rog and Nikopol districts and a large German concern for the exclusive sale of ore. The German company has agreed in principle to make advance payments to the Ore Trust to the extent of 40 per cent of the value of the ore sold.

The ore is intended for Germany, England, Belgium, Poland and Czecho-Slovakia.

Exports of Tobacco, Liqueurs and Potatoes from the Ukraine

The first consignment of yellow Podolia tobacco recently forwarded by the Odessa Foreign Trade Bureau to Berlin has been disposed of at fairly good prices. Encouraged by this, the Odessa office is preparing further consignments of tobacco, the second shipment of which is going forward shortly.

The Odessa Foreign Trade Bureau is also forwarding to the Near East and to Lithuania, Latvia and Poland sample shipments of liqueurs from the Ukrainian State Administration of the Alcohol Monopoly. Large consignments of potatoes were made to Palestine and to Near Eastern ports. There has been a great demand from Palestine for Soviet potatoes.

Foreign Relations of the U. S. S. R.

IN an interview with press representatives on the occasion of the signing of the treaty with Japan Mr. Tchitcherin, People's Commissar for Foreign Affairs, made the following statement:

"The Soviet-Japanese agreement signed in Peking yesterday, January 20, is something much more significant than the mere recognition of the Union of S. S. R. by still another government, something much more important even than simply the settlement of disputed questions between two nations. It is not only the starting point of a period of friendly relations between the peoples of the Union of S. S. R. and of Japan, it means a thorough change in the entire Far-Eastern policy and in contemporary policy in general. For us this is the termination of a whole epoch of intervention, civil war and unsettled relations in the Far East, and it is the conclusion of a steady forward movement in the progressive development of our political relations in the East, accompanied by a steadily growing friendship with the peoples of the East. It means an indubitable consolidation of our position in the Far East. During one of the first days after the evacuation of Vladivostok by the Japanese forces Vladimir Ilyich Lenin came forward in the Great Theater and said amidst the stormy applause of the audience, 'And Vladivostok is ours—after all.' Now Vladivostok has been definitely confirmed as ours. The Russian Far-East has now entered into the period of peaceful development and of amicable relations with all its neighbors. And for Japan this treaty means the creation of a friendly rear in the event of possible complications threatening her. Over a half year ago the establishment of friendly relations with the great Chinese people gave a new sweep to the Soviet policy of promoting brotherhood among peoples on the basis of the principle of self-determination. The daily deepening friendship of the Union of S. S. R. with the Chinese people, engaged in a widespread movement for liberation, finds its complement in the creation of friendly relations with Japan. The treaty with Japan is the realization of one of the persistent aspirations of the peoples of the Soviet Union.

"On this occasion it is impossible not to recall that the most far-sighted of Japan's leading statesmen have long comprehended the enormous importance for her of amicable relations with Russia. In the nineties of the past century, when the Tsarist Government began to reveal its ruthless policy of aggression in Korea, the Japanese statesmen strove long and tenaciously to avert the disruption of friendly relations between Russia and Japan and to find some sort of compromise. Only yesterday, while awaiting the telegram concerning the signing of the Soviet-Japanese agreement, I

was reading the memoirs of Hayashi, the Japanese Ambassador to England, recounting in detail Japan's efforts to come to an understanding with the Tsarist Government at the time of Lobanov and Muraviev. The memoirs of Rosen, the Tsarist Ambassador in Tokyo, tell of the same thing from the other point of view and completely confirm the persistency with which the Japanese Government sought an agreement with Russia. But the Tsarist Government quite unceremoniously broke the mutual obligations not to intervene in Korean affairs and entered upon the course which prompted the Japanese ruling circles to go over to an opposite policy and base their international relations on prolonged alliance with England.

"If formerly in its policy with regard to Japan the Tsarist Government was on the offending side with a brutal and greedy aggressiveness characteristic of it, then during the initial years of the creation in the old Tsarist Empire of the Soviet order by its very nature setting up as its aim peace and brotherhood amongst nations, it was the Japanese Government that took the offensive, and a very energetic offensive, without a declaration of war, too. The end of that period is come, and the extraordinarily warm friendly welcome accorded to Mr. Yoffe, the first representative of the Union of S. S. R. to enter upon Japanese territory, demonstrated with striking clarity the degree to which the broad masses of the Japanese people comprehended the necessity and importance of friendship with the Soviet Union. The ovations with which Mr. Yoffe was met in Tokyo were the most eloquent prelude to the signing of the treaty now affected. A profound change also came over the position taken by the Japanese Government toward us, and throughout the final period of the negotiations the atmosphere was far other than that of the preceding conferences.

"Without awaiting the conclusion of this treaty, we had already made some attempt at economic cooperation with the Japanese. In accordance with an old practice the Far-Eastern fisheries were leased to the Japanese, and the result of these transactions can be regarded as satisfactory in the highest degree. This is only the first step, and in many another direction we may go forward half way in precisely the same manner to meet the needs and aspirations of the Japanese for economic activity. The successful beginning will be followed by a still more successful continuation.

"The profound difference between our social order and that of Japan leads to deep distinctions, too, in the sphere of the principles resting at the foundation of the policy of the two nations. We count upon the sincerity of the Japanese Government, as it can also be completely at ease with respect to us. Of course, neither party to the

agreement will infringe the obligations created by the agreement and the friendly political relations, and both will adhere firmly to the principle of non-interference in the internal affairs of the other side.

"The agreement signed on January 20 is thus an initial step. Its consequences will naturally have a profound effect on the entire complex of international relations."

Ratification of the Soviet-Japanese Agreement

The Soviet-Japanese agreement concluded on January 20, 1925, and referred to in the above statement made by Mr. Tchitcherin, was ratified by the Soviet Government on February 20 and by the Japanese Government on February 25, the exchange of ratifications taking place in Peking on February 26.

Krassin on Franco-Soviet Relations

In a talk with representatives of the press in Moscow during the last week of January, Mr. L. B. Krassin, Soviet Ambassador in France, communicated the following information concerning his mission in France, as well as the fundamental questions which arise with the resumption of normal relations between the U.S.S.R. and France.

"My chief task," said Mr. Krassin, "consists in the establishment of normal political relations between the Union of S. S. R. and France. My first steps were toward the organization of the machinery of the Embassy and the Trade Delegation, as well as of the General Consulate, and toward the opening up of trade connections. In addition to this, I have endeavored to clear up the general relation of the political, public and business circles of France to those problems which will be the object of our negotiations.

"At the present time the diplomatic relations are to be considered as instituted—the Soviet Government is in regular and continuous touch with the Ministry of Foreign Affairs, the Chairman of the Council of Ministers, and the President of the Republic. The Trade Delegation has now likewise entered upon its work; we have already closed some important transactions in France, and direct connections are being established with the leading industrial firms. The People's Commissariat for Foreign Trade has made arrangements for the transfer of a number of orders to France, and it is to be hoped that our commercial relations will develop quite rapidly.

The Situation of French Industry

"During war times France developed for herself rather extensive metal-working, electro-technical, aviation and chemical industries, in conjunction with which the very character of her industrial output changed in considerable measure. The war demanded an immense quantity of homogeneous articles, and France was compelled to go over to mass production. During the war period a large number of factories were equipped in ac-

cordance with modern technique. As a result of the annexation of Alsace-Lorraine, France is the largest possessor of iron ore. French heavy industry is forced to seek markets for the sale of its metal products. Accordingly, we are witnessing a special period in the life of France, which is marked by her entry into the ranks of the important industrial countries producing for external markets. We trust that in this connection France will turn with especial interest to our market. In the case the U. S. S. R. is granted adequate and long-term credits the Soviet market will be capable of consuming enormous quantities of agricultural machinery, automobiles, lathes and all sorts of equipment. It is also necessary to take into account the fact that French industry has need of our raw materials.

"What can French industry contribute to ours in the way of reequipment? It must be said that French industry is certainly not inferior to the German in the matter of technical preparation, and in various fields, such, for example, as aviation and motor construction, France has taken the leading place. Great progress has been made in the electro-technical field, and electrification is being carried out successfully—in southern France there is now quite a number of new high-power stations. Evidently it may therefore be stated that under existing conditions French industry can withstand competition with Germany.

Possible Soviet Exports to France

"First place in the order of the Soviet Union's possible exports to France must be given to crude oil, followed by benzine, lubricating oils, and kerosene to some extent. During the presence of our delegation in Paris the Oil Syndicate has already effected some large sales of benzine and lubricants to a private company. Fuel oil (mazut) transactions for the government needs of France are now being concluded. An important export role may be played by our timber materials—shoring timbers for mines, wood for the paper and cellulose industries, and building lumber. For France extraordinary significance is likewise possessed by imports of our manganese, which is indispensable to the steel industry. In addition to this, France is one of the principal consumers of our flax. Furthermore, raw hides, bristles, furs, oak staves, highly selected varieties of our southern woods, asbestos, chromium ores, graphite—all these, undoubtedly, will also interest the French market.

"A great obstacle with regard to timber exports to France is the fact that our timber is subject to a quadruple duty. Two tariffs exist in France: one applied to the most favored nations, and the ordinary tariff exceeding the first four-fold. I have instituted a request for the reduction of the timber tariffs. It is indeed more advantageous for the French consumer that there be an extra seller of timber, and one as large as the Soviet

Union, too, which would make it possible to reduce prices. My negotiations with the Ministries of Commerce and Finance give room to think that this matter will be pushed through. A note on this question was dispatched by me before my departure.

"We shall export our timber to France through Holland. Naturally, there will be an advantage therein for the Dutch intermediaries, to whom I said that the elimination of duty will also be profitable to them, inasmuch as we shall employ their vessels for transportation from Archangel or Leningrad. On the return trips it will be possible to carry machines, tractors, etc. In the course of the work itself we intend to regulate likewise the insurance and warehousing operations.

French Attitude toward the U. S. S. R.

"Unfortunately, our arrival coincided with an aggravation of the internal crisis in France. The Herriot ministry does not rest upon a sufficiently solid majority in the Chamber of Deputies and has not a majority in the Senate. This ministerial instability is naturally reflected in its policy toward us.

"Adverse to us, too, is the circumstance that our diplomatic mission arrived just after the Communist Party's tremendous manifestation, held throughout France upon the transfer of the remains of Jaurès to the Pantheon. This extremely imposing demonstration frightened the French bourgeoisie, and the conservative parties, cleverly making use of this manifestation, raised a hue and cry throughout the country that Herriot's policy was bringing France to ruin.

"Finally, the return of the Conservatives to power in England played a well known role. Chamberlain's trip through Europe was undertaken with the aim of organizing a new encirclement of Soviet Russia—a sort of new blockade or semi-blockade.

Delegation of Holders of Russian Securities

"Despite the hostile atmosphere created by an expressly organized press campaign, and notwithstanding the extremely uneasy position of the cabinet, we nevertheless succeeded in establishing more or less normal relations with the various strata of the French business and political world and in elucidating some questions which will arise in the process of the negotiations. I made no proposals at all in the way of negotiations for the settlement of debts and mutual claims. I was only authorized to obtain information and then to report it to our Government, which will make a suitable decision. The main purpose of my visit was a personal report on the basis of the impressions which I carried away from the conferences, beginning with my private exchange of opinions with the President of the Republic and ending with my discussions with the deputation of small holders of Russian securities. The chairman of this delegation asked me to consider them as a

group of owners of Russian securities, but not as Russia's creditors coming forward with a demand for payment. The chairman asked me to look upon them as the representatives of a group of two million middle-class and poor Frenchmen possessing Russian bonds and addressing themselves to the popular masses of the Soviet Republic with the plea to sympathize with their situation and to agree to reimburse them somehow for the losses they had had to suffer.

"In my response I pointed out to them approximately the following: In a revolution made by a great people the dishes are naturally broken and the window panes smashed. By its policy your Government caused us losses incomparably greater than we caused you. If you say that your situation is grievous, then the position of our peasantry is in truth a thousand times more burdensome. In the matter of recognition or non-recognition of debts it is of no consequence whether Zinoviev or Rykov are against recognition of debts. Here the important thing is that the Russian peasants and workers, after having endured scores of White Guard onslaughts, will be indignant if they are told that they must pay for what the Tsar has received. I told the delegation that if the Soviet Government were to recognize the Tsarist debts, it would be overthrown in a moment. They replied that our Government is very strong. Yes, I said, it is strong because it rests upon the broad peasant masses, who do not recognize the Tsarist heritage and carry out an independent policy in this respect. Evidently, there can be talk of a definite agreement only insofar as the French Government finds it possible to render substantial assistance in the way of furnishing us with long-term credits.

"We refuse a recognition of debts such as will be equivalent to our recognition of the Tsarist debts. But we are prepared for definite agreements if we are granted substantial long-term credits. On that basis we can agree to an increase in the sum of the debt, insisting that the difference be employed for the compensation of small bondholders."

Later on, having touched upon the situation of the Russian émigrés in France, who are en masse yearning to return to Russia, Krassin turned to the question of the fleet carried away by Wrangel.

Return of the Wrangel Fleet

"I brought up the question of the fleet, stationed at Bizerta," stated Krassin, "as long ago as my first visit to Premier Herriot and received his assurance that the fleet would be restored to us in accordance with Herriot's telegram to Litvinov. However, in view of the difficulties he was then having in the Chamber and the Senate, Herriot requested me not to force the question of the seizure of the vessels, but to limit ourselves to an inspection of them by our commission. Before my de-

parture I asked Herriot how the matter of our fleet stood. To my great surprise he answered that a new factor had come up in this problem, some members of the Chamber having drawn his attention to the existence of certain letters from Poincaré to the People's Commissariat for Foreign Affairs, whereby the question of returning the fleet is bound up with the question of debts. And although the French Government does not now refuse to return the ships, the question is, however, somewhat deferred.

"In reply to this I pointed out to Herriot that a war fleet can under no circumstances (an opinion likewise shared by outstanding French jurists, including De Monzie) serve as the object of a property guarantee, since it is the country's instrument of defense. Inasmuch as France is entertaining friendly relations with the Soviet Union, it cannot forcibly retain those war vessels, which are an instrument of defense of our country. France might withhold funds, but not the fleet. From the viewpoint of international relations the retention of the ships is inadmissible.

The Possibility of Obtaining Credits

"The possibilities of procuring credits already exist. Mr. V. K. Taratuta, Chairman of the Board of Directors of the Bank for Foreign Trade, has brought back three projects for an agreement with large banking groups in the matter of establishing a mixed Russo-French or Soviet-French bank in France, whereby the foreign group would contribute from 300,000,000 to 400,000,000 francs for the purpose of financing foreign trade. These plans will be presented to the Soviet Government for approval. But I must say that direct credits for financing foreign trade can be obtained immediately."

In conclusion Mr. Krassin observed that in the matter of the forthcoming negotiations a rather serious difficulty will be created by the fact that there is as yet no corporate body which could speak in the name of the holders of Russian securities. The French Government itself has not been authorized by the necessary legislative measure to transact this business in the name of the holders of Russian bonds.

Soviet-Afghan Conference

The conference to discuss a trade agreement between the Soviet Union and Afghanistan opened in Kabul on January 13, the U. S. S. R. being represented by the plenipotentiary representative, Mr. Stark, while Afghanistan was represented by Abdul-Khadi-Khan, Minister of Commerce, Muhamed-Khajim-Khan, Minister of Finances, and Guliam-Nabi-Khan, Acting Minister of Foreign Affairs.

In his welcoming speech at the opening of the conference, the Minister of Commerce indicated the desire of the Afghan Government to conclude

a trade agreement with the Soviet Union, and emphasized the importance such an agreement will have in the development of mutual business relations between the two countries.

Replying to this speech, Mr. Stark stated that the Government of the U. S. S. R. was ever true in its friendship with the peoples of the East, and has long desired to consolidate not only its political, but also its economic relations with Afghanistan. The trade agreement under discussion should create the possibility of joint economic activity among the peoples of the two countries and form a solid economic foundation for the friendly relations between the U. S. S. R. and Afghanistan.

Chang-Tso-Lin on Anniversary of Lenin's Death

On January 20, Mr. Tchitcherin, People's Commissar for Foreign Affairs, received the following telegram from Marshal Chang-Tso-Lin, of Manchuria:

"Your Excellency: January 21, 1925, marks the first anniversary of the death of His Excellency, Mr. Lenin. Although in the flesh he has departed into eternity, the great work created by him can never perish. I am deeply convinced that all citizens of your esteemed country owe him very much and will revere him forever.

"I, governor of three eastern provinces of China, as representative of the Chinese people, express my high esteem for the immortal hero."

To this telegram Mr. Tchitcherin sent the following reply:

"The peoples of the U. S. S. R. to whom I shall transmit your condolences on the occasion of the loss of the great leader, Vladimir Ilyitch Lenin, remain true to his covenant—the development and strengthening of the friendly ties with the nations of the East, particularly with China. I am deeply touched by Your Excellency's telegram. Your condolence is the highest proof of the friendship which unites the U. S. S. R. and China. This friendship will continue to grow, and, standing together, the peoples of the U. S. S. R. and China will represent an increasingly mighty power in the name of national self-determination."

PAMPHLETS

published by the

RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

Cultural Life in the Soviet Union

Under the above heading every issue of the Russian Review, will, from now on, contain articles dealing with the various aspects of the Soviet Union's cultural life. The material in this section is supplied by the Joint Information Bureau in Moscow.

THE work of the Oriental Society of the U. S. S. R. is carried on chiefly by two sections, the Political-Economic Section and the Historical-Ethnological Section. The scientific investigations of the Political-Economic Section are carried on through the Division for the Study of the Near and Middle East and through the Central Commission for Japanese Studies. The Division for the Study of the Near and Middle East is at present engaged in the preparation of an extensive reference work covering all countries of the Orient, as well as with the preliminary steps toward the calling of a Turcological Congress, for the purpose of coordinating all the work that has been accomplished within the territory of the U. S. S. R. in the investigations of the civilization, the social and economic conditions, as well as the history and the languages of the Turco-Tatar nationalities in the U. S. S. R. Furthermore, this Section has begun to compile a directory of names of all scholars engaged in Oriental Studies connected with the Near and Middle East; lectures and reports have been prepared, etc.

The Political-Economic Section is planning an expedition to Turkestan for the purpose of studying the social and economic conditions in that territory, and establishing relations with the local organizations and institutions for Oriental Studies.

The purpose of the Central Commission for Japanese Studies is a thorough investigation of all phases of Japanese life, together with the political, social and economic conditions of the country, its history, literature, art, geography, language, etc. The first work of the Commission will be devoted to the study of questions of immediate interest, connected with the political, economic and social life of present-day Japan. The Commission is at present engaged in a discussion of subjects preliminary to the compiling of a dictionary, as well as to the subject of standardization and transcription according to the method of Professors Polivanov and Popov-Tativa. The sessions of the Commission included lectures delivered by R. N. Kim on "The Caste of the Unclean (the Eta) in Japan, Past and Present," by O. Pletner on Japanese Literature, as well as on other subjects.

The public sessions of the Political-Economic Section included the following lectures: "The Political Struggle in Present-Day Turkey," by As-takhov; "The Conflict of the Powers on the Mediterranean," by V. Gurko-Kryashin; "The Dutch East Indies," by Maring; "The Caste of the Unclean (the Eta) in Modern Japan," by Kim; "Modern Japanese Literature," by Pletner; "The Tasks of the Turcological Congress," by A. Samoilovich;

"The Preparation of New Alphabets for Literate and Illiterate Oriental Peoples of the U. S. S. R."

The Oriental Society also arranged a public gathering in honor of the memory of Lenin, at which addresses were delivered on the part played by Lenin in the liberation of the peoples of the East and in the solution of the questions of nationality, by M. Pavlovich and A. E. Khodorov.

The Historical-Ethnological Section of the Oriental Society is now engaged in an investigation of a number of questions connected with the history, archaeology, art, and ethnology of Oriental peoples both inside and outside the U. S. S. R.

These studies are being prosecuted both within the Section, and by the Commissions attached to it, and cover the following subjects: Tatar Civilization, the Civilization of Southern Russia, of the Crimea and the Caucasus, of the Finno-Ugrain Tribes, and also, Oriental Art. The Historical-Ethnological Section has furnished a number of learned opinions and consultations to the following State bodies in the course of their investigations: the People's Commissariat for National Minorities,* the Central Administration of Institutions of Research and Learning, the People's Commissariat for Foreign Affairs, the People's Commissariat for Public Instruction of the Tatar Republic, the People's Commissariat for Public Instruction of the Crimean Republic, the Section for the Protection of Crimean Art Antiquities, the Central Executive Committee of the Daghestan Republic, the Committee for the Preservation of the Art and Antiquities of Turkestan, the Executive Committee of the Kalmuck Soviet Republic, etc.

The Section has prepared for the press a number of learned articles (on the Culture of the Tatars, the Oriental Civilizations of Southern Russia, the History of the Kalmucks, etc.).

Preparations have also been made for despatching a scientific expedition into the Crimea for the purpose of studying the monuments of the Peninsula of Heraclaea, and also to the Northern Caucasus (Daghestan and Chechen Area). The preliminary work for the calling of a Congress for the purpose of investigating the Volga-Crimean Region has also been disposed of.

The following lectures have been delivered in the sessions of the Historical-Ethnological Section and of its various Committees: Academician H. J. Marr: "The Japhetic Theory;" Professor N. B. Baklanov: "The Art of Daghestan;" Professor N. F. Yakovlev: "New Developments in the Study of the Northern Caucasus;" Professor B. V. Farma-

*This People's Commissariat was abolished after the formation of the Union of Socialist Soviet Republics in 1923.

kovsky: "The Ancient Persian Cylindrical Seal in the Collection of the Fine Arts Museum;" Professor B. L. Bogayevsky: "Tripolitan Civilization in the Light of the Most Recent Investigations;" Professor A. A. Sakharov: "Altaic Antiquities;" Professor A. M. Selishchev: "Contributions in the Field of the Cultural Relations between the tribes of the Volga Region;" A. I. Gretschn: "Japanese Woodcuts;" Professor B. P. Denike: "A Chinese Statuette of the Tan Dynasty;" L. A. Moiseyev: "The Problem of Prehistoric Crimea;" same lecturer: "Excavations in Eupatoria;" etc.

The literary publications of the Oriental Society are gradually increasing in number. A series of books is being prepared which will constitute a systematic library on Oriental affairs. The works to be included will fall under two heads: Oriental Politics, Economics, and Sociology; and The Civilization and History of Oriental Countries.

The following books have already appeared: M. Pavlovich: "The Struggle for Asia and Africa;" M. Pavlovich: "The Question of Russia in English Foreign Policy;" Vilensky-Sibiriakov: "Japan;" Gurko-Kryashin: "The Liberation of the Nationalities in the Near East;" etc.

As the Society is also devoting its attention to the study of the civilizations of the ancient and modern Orient, the publication schedule also includes works on the poetry of the Oriental nations, as well as on the Painting and Sculpture of Asia.

The Oriental Society recently issued a Daghestan romance of the Ninth Century, by S. Argashev with an Introduction by V. Briusov, as well as a colonial novel, "The Adventures of Samba Diuf" by J. Tharaud, dealing with the psychological reactions of the black troops participating in the European War of 1914-1918.

The Oriental Society has recently entered into correspondence with quite a number of learned and literary bodies in Western Europe; an active exchange of books and materials is taking place with these institutions. The following associations may be mentioned as examples: The Prussian Academy of Sciences, the Academy of Sciences at Vienna, the New York Public Library, the Deutsche Südliche Gesellschaft, the Oriental Society, the Deutsch-Türkische Vereinigung; the Hieme Museum, the Institut zur Erforschung Ost-europas, etc.

In view of the increased interest shown in the investigation of natural resources and in the uses to which those resources may be put, the Oriental Society has established a Special Commission to investigate the natural productive resources of the Orient, which is to enable all who are interested in such problems to have easy access to the data that are found scattered in many books, thus putting them in a position to follow the progress of investigations in these various fields as far as possible.

The Commission for the Investigation of the Natural Resources of the Orient consists of two

Sections: a Geological Section and a Biological Section. The periodical "The New East," issued by the Oriental Society, devotes one of its departments to questions connected with the investigation of questions in the field of the natural resources of the Orient.

This periodical also has printed articles on the study of the geological structure of mineral deposits, and on the flora and fauna of the Oriental Soviet Republics, as well as of the non-Soviet Orient. Bibliographical notes on the current Russian and foreign literature touching on these subjects have been printed, as well as reports of the activities of the various learned bodies concerned with such studies in the U. S. S. R.

Institute for Soviet Law

The Institute for Soviet Law pursues the following aims: (1) scientific investigations, in groups, and by individuals; (2) the training of young scholars. For attaining these objects, the Institute has been divided into three sections: Public and Administrative Law, Court Procedure, Criminal Law. These three sections have 28 ordinary members, besides eighteen scientific collaborators of the first category, and sixteen of the second category.

The scientific activity of the Sections consists chiefly of the making and discussing of the reports, which may be regarded as the laboratory material of the scientific labors of the Institute. The reader may form an idea of the intensity of this work when he considers that in the past academic year thirty such reports were read and discussed. These reports constitute the basis for the Institute's publications, of which seventeen have thus far been issued.

In addition to these publications, the Institute also issues, through the State Publishing House, a bimonthly periodical, called "Soviet Law," which has already represented the Communist standpoint for the past two years, in questions of jurisprudence and legislation, propagating this standpoint and supporting it scientifically.

The Institute has been not less successful in its preparation of young specialists, and there is hardly any doubt that it will succeed in the very near future in increasing the number of highly trained Marxist instructors in the legal sciences, who are also sufficiently mature to engage in independent scientific investigation.

The Central Labor Institute

The Central Labor Institute, opened on September 16, 1920 by the Central Council of Russian Trades Unions, is engaged in the elaboration of methods for a rational systematization of labor and their application in the vocational training schools, as well as in the State Industry and State Commerce.

For the purpose of realizing these aims, the Institute has been divided into the following sec-

tions: (1) Investigation; (2) Instruction; (3) Consultation; (4) Propaganda.

The Investigation Section, which is preparing a number of methods of labor systematization by the experimental method (methods of manipulation, psycho-technology, physiology of labor, pedagogy of labor, social engineering), consists of the following laboratories: Technical Laboratory, Bio-mechanical Laboratory, Physiological Laboratory, Psychological Laboratory, Pedagogical Laboratory, and Social Engineering Laboratory. To this section is attached a library containing over 45,000 volumes concerned with labor problems, and receiving about 50 foreign magazines.

The Instruction Section is practically applying the method of rapid and thorough training that was worked out two years ago in the Pedagogical Laboratory.

Under the method pursued by the Central Labor Institute, persons engaged in manual labor will be taught in the Instructors' Courses, while persons engaged in mental work will be taught in the Administrators' Courses. The Instructors turned out by the Central Labor Institute are already spread all over Soviet Russia, working chiefly in the railroad shops.

The Consultation Section is for the purpose of undertaking investigations and reorganizations in the State, cooperative and trade union institutions and establishments. This Section has elaborated methods of investigation which are applied in the so called "Org-Stations" of the Institute.

The task of the Propaganda Section is to popularize the idea of a scientific regulation of labor; this Section consists of a Press Bureau, a publishing Office, a Museum, and a Photographic Studio. The Press Bureau furnishes six daily newspapers and about fifteen periodicals with literary material, while the Publishing Office issues the periodicals "The Organization of Labor," "Studies of the Central Labor Institute," and a number of books on labor problems.

A "Society for the Training of Skilled Labor" is operating under the Central Labor Institute. The Institute is housed in a splendid building, placed at its disposal by the Government.

Growth of the Provincial Press

An interesting illustration of cultural progress in the provinces of the Soviet Union is the condition of the press in the Province of Penza. Before the war the circulation of the provincial paper "Penzensky Vyedomosti," as well as of the other papers amounted altogether to 8,000 copies. At present, in addition to the Russian papers "Trudovaya Pravda," "Novaya Derevnnya," and the magazine "Pod Znamenem Lenina," there are also two papers in the tongues of the local non-Russian nationalities namely, "Sabanche" (in Tartar) and "Odveli" (in Mordvinian). The circulation of all the papers of the province amounts to 36,200 copies.

SCIENTIFIC AND CULTURAL CONTACT WITH THE U. S. S. R.

The lack of continuous contact between scientists, scientific institutions and cultural organizations of the United States and the Union of Soviet Republics has been felt for many years in both countries.

Since the war there has been practically no mutual exchange of scientific publications—with the result that the institutions and organizations concerned were unable to form any comprehensive idea of their mutual activities and achievements.

A similar situation prevailed not so very long ago in the cultural relations between the Soviet Union and most European countries.

Due to this unsatisfactory condition a special organization was brought to life—the Joint Information Bureau which has been created in Moscow with the aim of assisting in the establishment of closer cultural connections between the Union of Soviet Republics and other countries.

The Joint Information Bureau in Moscow is in constant communication with most of the scientific and cultural establishments and institutions of the Soviet Union and is in a position to facilitate regular contact as well as an exchange of scientific periodical and non-periodical publications between the interested institutions, groups and individuals of the Soviet Union and the other countries. Personal exchange of their works between scientists engaged in similar research activities could also be arranged as well as the publication of unpublished manuscripts and articles in the general periodical and special press.

At the request of the Joint Information Bureau in Moscow the Russian Information Bureau in Washington has undertaken to represent the Moscow Bureau in its endeavors which will no doubt be in the mutual interest of both countries.

Interested institutions, organizations and individuals may apply to the Russian Information Bureau in Washington.

Miscellaneous News

The General Census of 1926

The Central Statistical Bureau has completed the preliminary arrangements for the general Census of 1926. The Census will be concerned with the obtaining of demographic, agricultural, commercial, industrial data and statistics with regard to peasant home ("kustar") industry.

For the execution of the Census the Bureau has found it necessary to prepare an accurate list of all the inhabited places in the Soviet Union, and classify them as to the various types of settlement.

It was decided to propose to the various localities to prepare charts, indicating all buildings. It was further decided that preliminary to the commercial and industrial Census data as to the number of business establishments must be obtained, such data to be based on the declarations submitted by the proprietors to the various branches of the Commissariat of Finances.

In order to obtain a more exact record of the sown areas a preliminary comprehensive survey of the land will be taken. For the same purpose use will be made of the records held by agricultural bureaus, regarding land holdings.

An appropriation of 600,000 gold rubles was granted for the carrying out of the preliminary work in connection with the Census.

Administrative Regrouping of Former Mountain Republic

The Autonomous Mountain Republic in the Northern Caucasus which formed part of the Russian Socialist Federal Soviet Republic (Soviet Russia proper) has ceased to be an administrative unit. Its territory was divided along national lines into Northern Ossetia, inhabited by the Ossetes, and Ingushetia, inhabited by the Ingushes. The Sunzhensk district and the city of Vladikavkas, formerly constituting parts of the Mountain Republic, have become autonomous administrative units.

National Minorities in the Soviet Republics

In accordance with a report made by the representative of the Polish population of the Ukraine, the Central Commission on National Minorities proposed to the provincial committees of Podolia and Volhynia that court proceedings in a number of rural districts and communities be held in the Polish language.

German Immigrants in the U. S. S. R.

A party of 330 unemployed Germans have recently arrived in Rostov, on the way to the Salsk district, to settle on a cooperative farm organized by them.

New Railroad under Construction in Siberia

December 23 was the date of the opening of the new station Shira on the Achinsk-Minusinsk railway line, now in the course of construction. This opens up passenger and freight traffic over a stretch of 344 versts of the new line. The opening of the Shira station will render possible the moving of accumulated stocks of raw materials and grain from Khakassly and the Minusinsk district.

Underground Railway for Moscow

A Russian committee is at present visiting Germany to call upon German firms which have taken part in underground construction in big cities. The Committee is to collect detailed information for utilization in the construction of an underground railway on the most modern principles.

The underground railway is to be built in two sections. One is to comprise a line of a total length of 16 miles, the other line to be 21 miles in length. It is intended to connect the center of Moscow with the suburbs of the city and a tunnel is to be built below the Moskva river. Each of the two sections is expected to take about five years to build. It is estimated that the expenditure will amount to about 150,000,000 gold rubles.

Work of the Chinese Eastern Railway

In November, 1924, the Chinese Eastern Railroad handled 19,500,000 poods of grain cargoes, and altogether 30,000,000 poods of cargoes of all kinds.

This quantity breaks the record for the entire period of twenty-five years during which the road has been in operation.

In November 9,371,000 poods were routed via the Ussuri Railroad and 11,310,000 poods were transported to Dairen.

In the course of the last two months, the new administration of the Chinese Eastern Railroad has decreased the indebtedness of the road by 2,000,000 gold rubles.

The State Bank Building a Skyscraper

The State Bank, owing to the present serious crisis in housing facilities, has decided to put up its own building in Moscow on the plan of the American skyscrapers.

This structure, for which 10,000,000 gold rubles have been appropriated, will be begun in the Spring.

Second Dividend of the R. A. I. C.

At its recent meeting the Board of Directors of the Russian-American Industrial Corporation, with headquarters in New York, decided to pay a 5 per cent dividend to all stockholders who have fully paid up their shares.

The Russian-American Industrial Corporation (RAIC) was called into life in 1923 for the purpose of helping the Russian clothing industry. It invested \$200,000 with the All-Russian Clothing Syndicate. The dividend for the first six months was 3 per cent and was paid out a year ago. The present dividend covers the entire year 1924.

National Income From Agriculture

The national income from agriculture in the U. S. S. R. is estimated by Professor N. Makarov as follows, for 1923-24 and 1924-25 (at pre-war prices):

	1923-24	1924-25
Grain Crops.....	2,188,900,000	1,943,200,000
Technical crops.....	879,100,000	692,200,000
Special branches.....	564,600,000	664,800,000
Cattle and poultry breeding..	1,410,900,000	1,566,900,000
Fodder.....	1,533,100,000	1,611,900,000
Total	6,376,600,000	6,479,000,000

Agricultural Cooperation

The growth of agricultural cooperatives in the U. S. S. R. (not including the Ukraine) may be seen from the following figures:

	Number of local federations of cooperat's	Number of primary cooperative units	Membership
On January 1, 1924	301	19,700	1,200,000
On July 1, 1924	310	23,100	1,600,000
On October 1, 1924	323	no figures available	

The local unions of cooperative societies are incorporated in the following central organizations of agricultural cooperatives:

	No. of local Federations of Cooperative Organizations
In the "Selskosoyuz" (All-Russian Union of Agricultural Cooperatives)	134
In the "Maslocentre" (Central Union of Butter Cooperatives)	63
In the "Lnocentre (Central Cooperative Union of Flax Growers)	37
In the "Soyuzkartofel" (Union of Potato Cooperatives)	16
In the other central organizations.....	73
Total	323

The total gross turnover of the entire system of agricultural cooperatives of the U. S. S. R. (without the Ukraine) in 1923-24 amounted to:

	Gold Rubles
Central Cooperative Organizations.....	60,000,000
Local Federations.....	180,000,000
Primary Cooperative Societies.....	242,000,000
Total.....	482,000,000

Workers' Cooperatives

The total membership in the workers' cooperative societies in the U. S. S. R. on October 1, 1924, was 2,863,200.

The activity of workers' cooperatives in the field of public feeding is represented by the following figures gathered from 64 large workers cooperatives:

	Oct. 1, 1923	Oct. 1, 1924
Public dining rooms.....	51	125
Refreshment rooms.....	2	21
Other feeding places.....	1	6
Total.....	54	152

Rich Deposits in Turkestan

Information was recently received in Leningrad of the results of prospecting carried on at the foothills of the Altai Mountains and in other sections of Ferghana (Turkestan), where valuable deposits of radium, fluorspar and precious stones were found. The exploration parties working in Ferghana under the direction of the Academician, Mr. Fersman, have established the possibility of mining uranium, copper and baryte. The existence of vanadium is also quite probable. The automobile industry uses this metal extensively.

A special expedition consisting of eminent specialists is leaving shortly for a thorough exploration of the Talas-Alatra district in the Ferghana region, which represents one of the branches of the Tianshan mountains, and where enormous deposits of fluorspar have been discovered. This mineral is very valuable for the railroad and ammunition industries.

Rich Deposits of Ozokerite Found in Georgia

Valuable deposits of ozokerite have recently been discovered by the Scientific Commission of the Supreme Council of National Economy of Georgia in the neighborhood of Dzumisi, district of Kutais. Mining work will shortly be started on these deposits, which are found in wide layers close to the surface. The deposits are so extensive that they will more than cover the needs for ozokerite in the U. S. S. R. leaving a surplus for export.

Ozokerite is used in industry for manufacturing ceresine (a substitute for beeswax), paraffine and various lubricating oils.

Vast Deposits of Antimony in the U. S. S. R.

Deposits of antimony in enormous quantities were recently discovered by a scientific-industrial expedition in the southern slopes of the main Caucasian Mountain Range, at the source of the river Chvershur. Small quantities of this metal are found in China and in Brazil, its production being almost entirely in the hands of the French. Its application is very wide, being used for Babbitt metal, bearings, printers' type, etc. Up till now all antimony used in the U. S. S. R. was imported.

RUSSIAN REVIEW

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The Soviet Council of Nationalities

AT the second session of the Central Executive Committee of the Union of S. S. R. the work of both chambers of the Central Executive Committee of the Union of S. S. R.—the Council of the Union and the Council of Nationalities—was for the first time conducted on a full scale. The formation of a two-chamber system in the Union of S. S. R. was closely connected with the general policy of the Soviet Government with regard to the various nationalities. The creation of the Council of Nationalities is a means of guarding the various nationalities in the Union of S. S. R. against the influence of any possible tendencies of national chauvinism.

The make-up of the Council of Nationalities is defined by Art. 15 of the Constitution of the Union of S. S. R. It consists of representatives of the Constituent and Autonomous Soviet Socialist Republics—five from each Constituent and Autonomous Republic and one from each Autonomous Area. In all, 100 representatives of various national formations enter into the Council of Nationalities.

Art. 22 of the Constitution declares that proposed legislation coming up for consideration in the Central Executive Committee of the Union of S. S. R., acquires the force of a law only on condition of its acceptance both by the Council of the Union and by the Council of Nationalities. Consequently, the representative body of the separate nationalities is not an advisory but a legislative organ.

The constitution of the Union of S. S. R. accords the Council of Nationalities an opportunity of participating in the work not only during the sessions of the Central Executive Committee, but also during the intervals between them, when all the current activity is carried on by the Presidium of the Central Executive Committee of the Union of S. S. R.: Art. 26 of the Constitution requires that representatives of the Council of Nationalities shall enter into the Presidium of the Central Executive Committee of the Union of S. S. R. in the same number as the representatives of the Council of the Union, and one third of the Presidium of the Central Executive Committee of the Union of S. S. R. is chosen jointly by the Council of the Union and the Council of Nationalities.

Finally, the same article (26) grants to the Council of Nationalities, on a par with the Council of the Union, the right of passing upon the question of forming the entire Presidium of the Central Executive Committee of the Union of S. S. R. and the Council of People's Commissars of the

Union of S. S. R. as a whole; confirmation on the part of the Council of Nationalities is required for the election of these supreme bodies.

As a rule, the Council of Nationalities sits separately from the Council of Nationalities; but (and the second session of the Central Executive Committee of the Union of S. S. R. showed this) there may be conditions under which joint sessions are desirable. In these cases the Constitution protects the rights of the Council of Nationalities and requires that the voting at joint sessions be done separately. If the Council of Nationalities objects here to any decree or project, such a project will not acquire legal force.

In the event of a disagreement between the Council of Nationalities and the Council of the Union, the Constitution prescribes the selection of an arbitration commission on a basis of equal representation; if the arbitration commission does not reach an agreement, each of the chambers may refer the question for decision to the Congress of Soviets; the contested project may not acquire legal force.

It is self-evident that the rights accorded by the Constitution of the Union of S. S. R. to the Council of Nationalities, can subsist only on the condition that all the nationalities entering into the composition of the Union of S. S. R. entertain toward one another the mutual confidence that their interests are identical.

What was the character of the work of the Council of Nationalities during the second session of the Central Executive Committee of the Union of S. S. R.?

Questions of exceptional importance were brought before the session for determination—financial problems (concerning the budget of the Union of S. S. R. and the Constituent Republics, local finances, and the property and income tax), constitutional questions (regarding the foundations of the judicial system, penal legislation, military offences, Soviet citizenship); in addition to this the session considered reports on the domestic trade and the foreign policy of the Union of S. S. R. As can be seen, these are just the questions which most intimately concern the life of the individual nationalities.

For the detailed examination of the projects presented, the Council of Nationalities established special commissions, in accordance with the Constitution. The representatives of the Constituent and Autonomous Republics as well as of the Autonomous Areas, constituting these commissions carefully scrutinized each clause of the projects and introduced a number of amendments.

In drafting the resolution on the report covering the country's domestic trade, the commission of the Council of Nationalities brought in a supplement to the effect that the sole administration on the part of the People's Commissariat for Domestic Trade should be conducted "in harmony with the work of the governments of the Constituent and Autonomous Republics." In connection with the consideration of a question of a financial character, the committee of the Council of Nationalities, and then the Council of Nationalities itself, introduced a proposal for additional assistance out of the federal budget during the fiscal year 1924-25 to the most backward Autonomous Republics and Areas through an increase in the subsidy fund in the federal budget for the current fiscal year; this fund is to be expended for the development of public education, health protection, the execution of agricultural measures and the consolidation of the local Soviet administration.

Beside this, the Council of Nationalities presented a motion to have the Central Executive Committee of the Union of S. S. R. at its forthcoming sessions consider questions connected with the definition of the budget rights of the Autonomous Republics and Areas, the delimitation of property and enterprises and the utilization of revenues derived therefrom. These propositions were also accepted by the session of the Central Executive Committee of the Union of Socialist Soviet Republics.

In the sphere of constitutional questions the Council of Nationalities likewise proposed a number of amendments possessing material importance. In this connection the representatives of the Autonomous Republics steadfastly adhered to their position as to the necessity of standardizing certain rights of the autonomous republics in federal legislation. Thus, in a proposal concerning the bases of the judicial system for the Union of S. S. R. and the Constituent Republics it was added that deviations from the standardized system of judicial institutions, depending upon the national cultural conditions in the Constituent or Autonomous Republics, are permissible only through a decree of the Presidium of the Central Executive Committee of the Union of S. S. R. in compliance with a petition of the Central Executive Committee of the Constituent Republic involved.

Naturally, however, in such extensive work and in such diverse projects differences of opinion were encountered between the Council of Nationalities and the Council of the Union with reference to this or that separate article or clause of the proposals. As a result of the labors of the arbitration commissions, all differences were removed, so that not a single project was appealed against to the Congress of Soviets of the Union of S. S. R. either by the Council of Nationalities or by the Council of the Union (i.e., in the manner indicated in Art. 24 of the Constitution of the Union of Socialist Soviet Republics).

What conclusions may be drawn from this first working trial of the Council of Nationalities?

It must be observed that the Council of Nationalities was in agreement with the Council of the Union in all the fundamental questions brought up at the session; in the resolutions on domestic trade, foreign policy, financial policy, as well as in the constitutional questions, there arose no divergences of principle whatever, which might lead to a conflict between the two chambers.

The differences between the chambers were not on matters of principle, but concerned only the clearing up of the meaning and the wording of certain articles referring to the rights of the Constituent and Autonomous Republics with a view to guaranteeing the protection of the interests of the individual nationalities entering into the Union of Soviet Socialist Republics.

The Council of Nationalities, in the same measure as the Council of the Union, approved the policy of the Government of the Union of Soviet Republics with regard to all the fundamental problems in the field of foreign policy, finance, and domestic trade—confirming and commending all the laws, decrees, ratifications of treaties and agreements sanctioned by the presidium of the Union of S. S. R. in the interval between the first and second sessions of the Central Executive Committee of the Union of S. S. R.

The Council of Nationalities of the Central Executive Committee of the Union of S. S. R. thereby indicated at the second session that the policy of the Government of the Union of Socialist Soviet Republics fully protects the interests of the separate nationalities.

By accepting jointly with the Council of the Union all the projects introduced at the second session of the Central Executive Committee of the Union of S. S. R. the Council of Nationalities confirmed the fact that the interests of the various nationalities in the Union of S. S. R. and the interests of the entire Union are identical, and that the confidence of the peoples constituting the Union of S. S. R. is justified by the existence of the Soviet Union itself and the work of its Government.

PAMPHLETS

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

The Ukrainian Soviet Republic

THE Ukrainian Soviet Socialist Republic occupies an area of 43,200 square kilometers and has a population of 27,600,000. The capital of the Republic is Kharkov. As compared with the entire Soviet Union, only 2 per cent of the territory and almost 20 per cent of the inhabitants fall to the share of the Ukraine. Its density of population has reached 63.9 persons per square kilometer as against 6.4 for the Union of Socialist Soviet Republics as a whole.

For administrative purposes the Ukrainian Soviet Socialist Republic is divided into 9 provinces consisting of 53 regions, 730 districts, and 9,193 village Soviets.

In the year 1924 there were 41,664 inhabited settlements listed, of which 612 were cities and settlements of the urban type with an aggregate population of 5,100,000.

Racial Composition of the Population of the Ukraine

The following data from the census of 1920 describe the racial composition of the population of the Ukrainian Soviet Socialist Republic:

Race	Percentage of Total
Ukrainians	70
Great Russians (i. e. Russians proper).....	11
Jews	7
Germans	2
Poles	1
Others	9
	100

The proportion of Ukrainians in the villages of the Ukrainian Republic amounts to 83 per cent on the average.

General Role in the Soviet Union

Turning to the data characterizing the role of the Ukraine in the Soviet Union, it is observed that before the war this territory turned out the following percentages of Russia's total output:

	Per cent
Ores	72.0
Coal and other fuel.....	51.0
Cast-iron	70.0
Wrought iron and steel.....	60.0
Products of large scale industry.....	24.3
Surplus production of grain and potatoes..	54.0

The share of the Ukraine's large-scale industry in the total output of the Soviet Union presents the following view in comparison with its pre-war standing:

Year	Per Cent
1918	24.3
1922-23	17.8
1st half of 1923-24.....	20.2

Agriculture

In 1923 the Ukraine gave 27.7 per cent of the entire sown area for the Soviet Union, 37.7 per cent of the gross grain crop, and 28.9 per cent of the revenues from all branches of agricultural economy. The grain surplus in the Ukraine for the same year was equivalent to 378,000,000 poods. It not only covered the deficiencies in other parts of the Soviet Union, but also provided the Union with an overplus of 222,000,000 poods.

	Dessiatins
Suitable for cultivation.....	39,300,000
Unsuitable for cultivation.....	2,300,000
Total	41,600,000

In conformity with a distribution of land area so favorable to the development of agriculture, farming constitutes the basic occupation of the overwhelming majority of the Ukrainian population. This is illustrated by the following figures covering the division of population between city and country:

Rural population.....	22,500,000
Town population.....	5,100,000
Total	27,600,000

The total number of peasant farms in the Ukrainian Soviet Socialist Republic in 1924 was placed at 4,800,000; and the sown area reached 91 per cent of the pre-war figure. The peasant farmers not only tilled all the area that had been at their disposal in 1916, but also increased it by 11.5 per cent at the expense of unworked lands. Of the previously untilled arable area 82 per cent was plowed in the forest-steppe soil and 11 per cent in the steppes.

During 1924 the number of live stock increased by 4,000,000 head, or 19 per cent, as compared with the previous year. In comparison with the year 1916 the number of live stock rose by 2,000,000 head, or 8.8 per cent, although the major portion of the increase applies to sheep (47 per cent) and a little to large horned cattle (10.2). As heretofore, the number of horses is less and is 27.6 per cent behind the 1916 level.

The improvement in the correlation of crops already noted in 1923 has continued to develop, particularly in the steppes to the benefit of an increase in export grains: winter and spring wheat. The progress of Ukrainian agriculture is promoted by its favorable geographical position, which reduces the overhead expenses in preparing the grain for export (22.4 kopeks per pood for the Ukraine, 26.8 kopeks for Leningrad, and 32.2 kopeks for Novorossiysk), and by its higher grain productivity (55 poods per dessiatin as against 45

poods for the producing and consuming zones and the Southeast, and 50 poods for Siberia).

The average supply of draft animals per 100 dessiatins of sown area in the two types of regions is as follows (in comparison with the pre-revolutionary period):

	1916	1924
Forest-steppe.....	29	26
Steppe	21	14
Average	25	20

The parceling of peasant holdings during the latter years is illustrated by the following figures:

1922	4,402,000 farms
1924	4,800,000 farms

An increase is noticeable in the number of farms without cattle. Whereas in 1922 out of each 100 farms 33 were without draft animals and 25.4 without cows, in 1923 there were already 52.7 without draft animals and 34.1 without cows.

The further development of agriculture in the Ukrainian Republic may be affected by the bad harvest of 1924. About 20,000,000 gold rubles have been advanced through agricultural credit channels for the benefit of farms suffering from crop failure, and on November 1, 1924, according to the accounts of the Ukrainian Agricultural Bank the resources of the credit organs of the Ukrainian Soviet Socialist Republic were estimated at 30,000,000 gold rubles.

The growth of the agricultural cooperative movement in the Ukraine is illustrated by the following figures: from January to June of 1924 the number of cooperative societies had increased from 3,200 up to 3,856; during the same period the number of cooperative peasant farms rose by 55 per cent. The total number of agricultural cooperatives and communes augmented from 4,600 on January 1, 1924, to 5,300 on August 1, 1924, of which as many as 4,000 were collective organizations of the poorer peasants. The growth in the membership of the organizations of poor peasants presents the following picture:

	Members
May 1923.....	516,000
April 1924.....	686,000
August 1924.....	770,000

The cooperative movement has drawn in 34 per cent of the poorer peasants.

Industry

As shown by the following table, during the fiscal year 1923-24 the Ukraine increased its total industrial output by 60 per cent:

Fiscal Year	Value of Output in Pre-war Rubles
1922-23	200,600,000
1923-24	321,300,000

From 148,500 in the first quarter of 1922-23 the number of workers steadily rose up to 240,000 in the closing quarter of 1923-24, i. e., an increase of 52 per cent. Wages increased by 42 per cent.

The following trusts of a federal Soviet scope, subordinate to the Presidium of the Supreme

Council of National Economy of the Union of S.S.R. are operating on the territory of the Ukrainian Republic: The "Donugol" (Donets Coal Trust); the "Koksobenzol" (Coke and Benzol Trust); the "Yugostal" (Southern Steel Trust); the "Elektrotrust" (Electric Trust); the "Sakharotrust" (Sugar Trust); the "Yumt" (Southern Machine-building Trust), recently transferred to the Supreme Council of National Economy of the Ukrainian Republic by order of the Supreme Council of National Economy of the Union of S. S. R.; and others.

According to the data of the condensed balance sheet as of October 1, 1923, the Ukrainian industries under the supervision of the Supreme Council of National Economy of the Ukrainian Republic closed the year 1922 with a profit of 3,798,000 gold rubles and the year 1923 with a profit of 4,278,000 gold rubles. The sum of 3,192,000 gold rubles was assigned out of this to State revenue after covering losses, etc.

A shortage of working capital has been felt in light industry, so that at the beginning of the fiscal year 1924-25 this industrial division found it impossible to expand its production in accordance with the market demand, which showed itself to be incompletely satisfied, this situation being true of the "Makhorka" (cheap tobacco) Trust, the Tobacco Trust, the Textile Syndicate, and the Sugar Trust.

Foreign Trade

The data presented by Mr. Zolotarev, plenipotentiary representative of the Federal People's Commissariat for Foreign Trade in the Ukraine, portray the following growth of the Ukrainian Republic's foreign commerce during the fiscal years from 1921-22 to 1923-24 (in gold rubles):

	1921-1922	1922-1923	1923-1924
Exports	5,100,000	20,000,000	75,700,000
Imports	12,000,000	5,700,000	10,700,000
Turnover	17,100,000	25,700,000	86,400,000
Balance	-6,900,000	+14,300,000	+65,000,000

The adverse balance for 1921-22 is explained by the crop failure, and it changed into a favorable one with the first good harvest year.

The role of grain crops in the total Ukrainian exports for the period in question is illustrated by the following figures:

Fiscal Year	Percentage of Total
1921-22	—
1922-23	50
1923-24	91

The commodities imported during the same period were distributed as follows among the three chief consumption groups (in percentages):

	1921-22	1922-23	1923-24
Industry	28.5	63.2	71.0
Agriculture	1.7	3.0	7.0
General consumption.....	69.8	33.8	22.0
Total	100	100	100

As is evident from the figures presented for 1923-24, the Ukrainian imports, as well as the exports, took on a normal structure, three quarters of the total imports being designated for the satisfaction of industrial needs.

There was a marked increase in the operations of the Ukrainian Republic's State Trading Bureau, which has been considerably strengthened and has latterly made substantial progress. Its share in the Ukraine's foreign trade has risen from its level of 50 per cent during the year 1922-23, and during the April-June quarter of 1923-24 it constituted from 60 to 70 per cent with respect to exports.

The export and import program of the Ukrainian Republic for the fiscal year 1924-25 has been confirmed by the Ukrainian Economic Council in the following totals:

Exports	Gold Rubles 63,200,000
Import:	21,300,000
Turnover	84,500,000

There have been designated for exportation mainly the products of animal breeding and of the extractive and manipulating industries, together with 30,000,000 poods of grain crops, among which are 3,000,000 poods of rye and 2,000,000 poods of wheat.

In addition to this, the exportation of a certain quantity of sugar to Persia has been recognized as necessary.

Domestic Trade Turnover and Cooperative Trade

The domestic trade turnover and the cooperative trading movement display unceasing growth, a statement which is confirmed by the following turnover totals in gold rubles:

1st half of 1922-23.....	Gold Rubles 450,000,000
2nd half of 1922-23.....	768,000,000
1st half of 1923-24.....	1,000,000,000

The extent of the participation of private capital in the trade, exclusive of grain transactions for the entire year 1923-24, gradually decreased, while the role of the cooperatives and the State trading organs increased.

However, private capital, which at first withdrew under cover, regrouped and then turned to grain manipulations. As the acquirement of grain by the organizations subject to program quotas proceeded under very difficult circumstances in 1924, the result was that during the first months of the grain-purchasing campaign (in the fall of 1924) a considerable part of the wheat and rye supply for the urban population of the Ukraine found its way into the hands of private operators.

During the period from August to mid-October the collectors subject to quota had purchased altogether only 24,800,000 poods, as against 42,000,000 poods for the previous year, i. e., about 58 per cent.

Around January 1, 1924, the network of rural consumers' cooperatives consisted of approximately 4,190 active societies with 5,028 stores. On July 1 there were already 5,520 societies with 6,624 stores. The annual sales turnover total of the United Rural Consumers' Cooperatives in the Ukraine will come to about 100,000,000 gold rubles for the year 1924, as compared with 34,000,000 gold rubles for 1923. On January 1, 1924, the rural population organized in cooperatives numbered 468,000 throughout the Ukraine; by July 1 it had grown to 745,000.

The second and final instalment of this article will appear in the next issue of the Russian Review. It will contain data about transportation, finances, municipal economy and public education in the Ukraine.

Savings Banks in the U.S.S.R.

THE savings banks introduced in 1922, made their first appearance during the period of transition from the temporary form of trading by barter to the monetary system, and were confined in their first steps to activity within the limits of the cities, where the importance of money in trade transactions was established much more rapidly than in the villages.

As the monetary system of exchange spread, the urban savings banks system extended until it embraced all the capital, county and smaller cities.

The first "urban" period in the history of the workers' savings banks happened to coincide with the period of rapid depreciation of Soviet paper currency. Under these conditions the accumulation of any savings was not only out of the question, but it became impossible to retain on any assured level the wages earned unless something were done to insure them in some way or other from depreciation.

This task of protection against depreciation thus became the work of the savings banks during their year of activity under the depreciating Soviet currency, with the following results:

Deposits and current accounts (value in gold rubles)

October 1, 1923.....	1,700,000
November 1, 1923.....	2,600,000
December 1, 1923.....	5,700,000
January 1, 1924.....	10,300,000
February 1, 1924.....	16,100,000
March 1, 1924.....	18,000,000

On March 1, 1924, there were altogether 2,566 savings banks, whose operations for the month of February, 1924, amounted to about 2,500,000 gold rubles, of which 1,000,000 was transacted in the two capitals (Moscow and Leningrad).

This period in the history of the savings banks which may be called the "insurance period," terminated simultaneously with the withdrawal of the Soviet paper currency.

As soon as the currency was stabilized in the U. S. S. R., the insuring of money against devaluation was no longer necessary on the part of the savings banks, which then reverted to their natural function. The change produced its reaction on the volume of the banks' operations, which experienced a radical reduction, as will be seen from the following figures:

Total deposits in all savings banks in the U. S. S. R. (gold rubles):

April 1, 1924.....	10,400,000
May 1, 1924.....	9,300,000
June 1, 1924.....	8,900,000
July 1, 1924.....	8,700,000

As soon as the necessity to insure money against depreciation was removed, those classes of the population which utilized the savings banks for this particular purpose, promptly discontinued their relations with these banks.

The savings banks were then left with small depositors, who may be divided into two groups: (a) purely savings depositors, and (b) depositors utilizing the banks as depositories for their working capital.

The first group of depositors is more valuable to the savings banks both from the economic and financial point of view. Their savings constitute the permanent balance of deposits, which may be invested in long-term securities (government bonds), thus fortifying the financial basis of the savings banks. The second group of depositors, while less interesting so far as their direct financial value is concerned, is extremely important from the point of view of extending the field of the savings banks' activities and of giving the maximum service to the financial requirements of the population.

Since the introduction of the monetary reform, the savings banks were endeavoring to enlarge the field of their operations by extending the territory of their activities. In spite of a reduced volume in the turnover, the number of the local savings banks is spreading, as will be seen from the following figures:

		Total number of Savings Banks in the U.S.S.R.
July 1, 1924.....		3,650
August 1, 1924.....		3,996
September 1, 1924.....		4,397
October 1, 1924.....		5,062
November 1, 1924.....		5,535
December 1, 1924.....		6,151
January 1, 1925.....		6,646

The largest number of new savings banks opened were those attached to postal-telegraph offices to take care of the rural population; in the cities intermediary branches were established in factories and workshops, which cover almost completely the entire city working population.

Simultaneously the extent of service rendered by the savings banks to the working popu-

lation increased. The safekeeping of money and securities, the transfer of these, payment of coupons and lottery winnings, letters of credit, loans and pledges, sale and purchase of stocks and bonds, payment of various dues and taxes—all these operations are now carried out by the savings banks.

That the savings banks had taken the right direction in their policy was proved by the progressive increase of their turnover, which began right after the above-described downward trend during March-June, 1924.

Beginning with July the activities of the savings banks entered the third phase of development, which has shown the following upward movement of deposits:

		Balance of deposits in all savings banks in the U.S.S.R. Gold Rubles
August 1, 1924.....		9,400,000
September 1, 1924.....		9,700,000
October 1, 1924.....		10,800,000
November 1, 1924.....		11,700,000
December 1, 1924.....		13,000,000
January 1, 1925.....		14,404,000

The Riga Cooperative Transit Bank

Mr. Golenishchev-Kutuzov, President of the Board of Trustees of the "Vsekokbank" (All-Russian Cooperative Bank), has recently arrived from Riga where he participated in the conference of the shareholders of the Riga Cooperative Transit Bank. In a conversation with a contributor to the "Economic Life" he made the following statement with reference to the activities of the Bank during the preceding year:

The Cooperative Transit Bank commenced its activities in November, 1923. Already the first 11 months of its existence indubitably manifested its vitality and its capacity fully to answer the needs of the Soviet cooperatives.

The constant increase of the total amounts of the monthly balance sheets and of the Bank's volume of business, for the period elapsed, is evident proof of the unceasing and systematic development of the Bank and of the expansion of its operations in serving the needs of the cooperative organizations of the Soviet Union.

On December 1, 1923, the total resources of the Riga Transit Bank amounted to 979,500 lats*; on October 1, 1924, the total resources of the Transit Bank rose to 8,229,000 lats—and together with sums not incorporated in the balance sheet, the entire total was 11,577,000 lats. Thus, during the 10 months the total resources of the bank increased more than 8 times.

Still more remarkable is the rapidity with which the bank kept on enlarging its volume of business.

In November, 1923, the volume of business totaled 2,062,000 lats, while in September, 1924,

*One "lat" (Latvian currency) equals one gold franc.

it reached the high mark of 34,958,000 lats—i.e., a seventeen-fold increase.

The Bank began business with a capital of 500,000 lats, but toward February, 1924, the capital had increased to 1,000,000 lats, and in September, 1924, the board of trustees authorized a further increase up to 2,000,000 lats.

The main item in the Bank's liabilities are the current accounts. The balance on hand of these accounts rose from 643,000 lats on February 1, to 2,631,000 lats on October 1, 1924.

The turnover of the current accounts for the period accounted for, including debits and credits, amounted to 73,200,000 lats. Out of this sum 47 per cent comprise the current accounts of cooperative organizations. A very prominent role, as far as deposit operations are concerned, is played by the current accounts of the organizations connected with the Trade Delegation.

In accordance with the aims of the Transit Bank, its main activities were directed toward the financing of the export and import operations of the cooperative central organizations of the U. S. S. R. During the period accounted for the Bank extended credits to various organizations and establishments to the amount of over £725,000. Out of this sum £601,000 (or 83 per cent) fell to the share of cooperative organizations while the balance of £124,000 (17 per cent) was advanced to other enterprises.

The Bank having established close contact with the provincial branches of the State Bank, and having concluded an agreement with the New York Amalgamated Bank regarding money transfers in the Baltic countries, money transfer operations during the last months of the period accounted for have greatly increased. This is evident from the following figures: until September 1, 1924, the Bank accepted 1,188 small money transfers in various currency, for a total amount of £20,000, and it issued 357 money transfers to the amount of £16,000. The operations are growing from month to month.

The systematic and rapid growth of the Transit Bank, the successful expansion of its operations, the active support it obtains from Soviet institutions, cooperative organizations and economic enterprises, the favorable attitude of the correspondent banks—all these facts undoubtedly augur splendid prospects for the Bank and guarantee a continuation of fruitful activity and achievement.

All-Russian Cooperative Bank

The activities of the All-Russian Cooperative Bank ("Vsekobank") during the fiscal year of 1923-24 are summed up as follows:

	Number of Branches	Total Resources of Branches
On October 1, 1923.....	16	10,150,000
On October 1, 1924.....	46	48,625,000

In the course of the year the bank granted 3,286 loans to various cooperative societies, to a total of 49,000,000 gold rubles, distributed among the various cooperative societies as follows:

	In percentages
Consumers cooperatives.....	28.7
Workers' cooperatives.....	12.8
Transportation cooperatives.....	8.2
Agricultural cooperatives.....	27.6
Peasant homecraft (kustar) cooperatives..	13.2
Mixed cooperatives.....	7.5
Others	2.0
Total	100

The Balance Sheet of the State Bank

The State Bank's condensed balance sheet as of October 1, 1924, (the close of the fiscal year 1923-24) shows total assets of 161,388,550, chervontzy, or 1,613,885,500 gold rubles (1 chervonets equals 10 gold rubles). Among the principal items constituting this total are the following: cash—62,236,429 gold rubles; goods and securities—50,826,425 gold rubles; precious metals and foreign currency—308,837,642 gold rubles; outstanding loans, discounted paper, and credits against merchandise, etc.—717,573,055 gold rubles.

As reported in the previous issue of the *Russian Review*, the State Bank has increased its capital to 100,000,000 gold rubles. This step was rendered imperative by the expansion of the institution's operations as a result of the country's economic progress. The following brief data will indicate the growth of the State Bank's activities: Total assets in round figures—159,100,000, gold rubles on January 1, 1923; 1,099,100,000 gold rubles on January 1, 1924; and 1,613,885,500 gold rubles on October 1, 1924. Loan and discount operations aggregated 30,700,000 gold rubles on Jan. 1, 1923; 313,700,000 gold rubles on January 1, 1924; and 717,573,055 on October 1, 1924. Current accounts and deposits totaled 37,200,000 gold rubles on January 1, 1923; 284,900,000 gold rubles on January 1, 1924; and 361,194,000 gold rubles on October 1, 1924.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 sarshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 dessiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$.514.
- 1 chervonetz equals 10 gold rubles; its gold parity is \$.514.

The Soviet Union's Budget for 1924-25

IN its issue of November 15, 1924, the *Russian Review* published the Soviet Union's tentative budget for the fiscal year 1924-25. The budget total was 2,091,643,000 gold rubles, or 10 per cent above the budget total for 1923-24, which was 1,900,000,000 gold rubles in round figures. In the meantime the original budget estimate for the year 1924-25 has been increased by about 180,000,000 gold rubles, bringing the aggregate up to

2,278,868,000 gold rubles. A striking feature of this latest budget is the fact that for the first time no issues of paper currency have been required to balance revenues with expenditures. A decisive step toward such a deficitless budget was taken by the Union of Soviet Republics during the third quarter of the fiscal year 1923-24, when paper currency issues definitely ceased to figure as a revenue item.

REVENUES

A. Ordinary Revenues

1. Direct taxes:	Gold Rubles
(a) Single agricultural tax.....	245,000,000
(b) Trading tax.....	77,500,000
(c) Income tax.....	80,000,000
(d) Realty tax.....	10,407,000
(e) Special assessment for the relief of the population suffering from crop failure..	18,000,000
(f) Inheritance tax.....	223,145
Total direct taxes.....	431,130,145
2. Indirect taxes:	
(a) Excise taxes.....	382,000,000
(b) Customs revenues.....	76,200,000
Total indirect taxes.....	458,200,000
3. Duties:	
(a) Stamp duty.....	75,500,000
(b) Other duties and imports.....	13,059,430
Total Duties.....	88,559,430
Total State taxes and duties.....	977,889,575
4. Revenue from posts and telegraphs.....	72,500,000
5. Revenue from transport system.....	810,000,000
6. Revenues from State properties and from State enterprises:	
(a) From State industrial enterprises.....	61,991,500
(b) From State trading enterprises.....	21,843,034
(c) From banks.....	20,000,000
(d) From forests.....	60,154,000
(e) From mineral deposits.....	9,520,970
(f) From other State properties and enterprises.....	12,658,270
7. Reimbursement of State expenditures.....	186,167,774
8. Miscellaneous revenues.....	21,250,000
	4,345,651
Total revenues not derived from taxes.....	1,094,263,425
Total ordinary revenues.....	2,072,153,000

B. Extraordinary Revenues

1. From the sale of various movable State properties.....	16,715,000
2. From credit operations:	
(a) From the second lottery loan.....	20,000,000
(b) From the 8 per cent internal gold loan..	30,000,000
(c) From the peasants' loan.....	50,000,000
(d) From other credit operations.....	10,000,000
Total from credit operations.....	110,000,000
3. From silver and copper currency issues.....	80,000,000
Total extraordinary revenues.....	206,715,000
Grand Total of All Revenues.....	2,278,868,000

EXPENDITURES

A. Ordinary Expenditures

1. Federal Departments:	Gold Rubles
(a) Federal departments and institutions (with the exception of the Commissariats for Army, Navy, Transports, and Posts and Telegraphs).....	45,020,500
(b) People's Commissariat for Army and Navy.....	407,247,000
(c) People's Commissariat for Transports.....	810,000,000
(d) People's Commissariat for Posts and Telegraphs.....	72,500,000
Total for the Federal Departments and Institutions.....	1,334,767,500
2. Centralized Departments and Institutions of the Soviet Union and the Constituent Republics.....	122,943,000
3. Non-centralized Departments and Institutions of the Constituent Republics.....	249,260,000
4. Reserve funds.....	86,031,000
5. Subsidy fund.....	42,016,000
6. State Treasury operations.....	163,955,000
Total Ordinary Expenditures.....	1,998,972,500

B. Extraordinary Expenditures

1. Industry.....	78,848,000
2. Agriculture.....	58,200,000
3. Aid to crop failure sufferers.....	50,425,000
4. Organization of public works.....	4,000,000
5. Municipal credits.....	26,500,000
6. Electrification.....	38,610,000
7. Financial relief measures.....	8,000,000
8. Loans on shipbuilding orders.....	2,400,000
9. For reconstruction work in Leningrad in connection with the inundation.....	12,000,000
10. Extraordinary expenditures of Karelian Soviet Republic.....	912,500
Total extraordinary expenditures.....	279,895,500
Grand Total of All State Expenditures.....	2,278,868,000

Soviet Exports for 1923-24

THE compilation of the statistical data covering commodity imports and exports across the Asiatic boundaries of the Union of S. S. R. for the fiscal year 1923-24 having been completed, it becomes possible to form a conception of the import and export operations for the entire Soviet Union during the elapsed fiscal year.

In round figures the total exports for the fiscal year 1923-24 aggregate 6,712,500 tons, valued at 369,800,000* gold rubles (at pre-war prices).

Fiscal Year	Frontier Across Which Shipped	Total Turnover			Percentage of Total Turnover	
			Imports	Exports	Imports	Exports
1923-24	European	547,400,000	207,700,000	339,700,000	38	62
	Asiatic	63,100,000	33,000,000	30,100,000	52.3	47.7
	Total—All Frontiers.....	610,500,000	240,700,000	369,800,000	39.4	60.6
1913	European	2,648,500,000	1,227,500,000	1,421,000,000	46.3	53.7
	Asiatic	245,600,000	146,500,000	99,100,000	59.7	40.3
	Total—All Frontiers.....	2,894,100,000	1,374,000,000	1,520,100,000	47.5	52.5

The trade balance for 1923-24, while remaining adverse with respect to commerce across the Asiatic frontier as was also the case in 1913, was

The exports for 1913 constituted 24,113,000 tons, worth 1,520,100,000 gold rubles.

Accordingly, the exports for the fiscal year 1923-24 equal 27.8 per cent of the pre-war total as to quantity, and 24 per cent as to value (if calculated at 1913 prices).

The respective roles of exports and imports in the total turnover are illustrated in the following table (in gold rubles):

favorable across all borders taken together.

The exports were distributed in the following manner under the various tariff groups:

Years	Foodstuffs		Raw Materials and Semi-finished Prdcts.		Animals		Manufactured Articles		Total	
	Tons	Gold Rubles	Tons	Gold Rubles	Tons	Gold Rubles	Tons	Gold Rubles	Tons	Gold Rubles
1923-24 ¹	3,104,000	205,100,000	3,593,400	158,200,000	.....	.....	15,100	6,500,000	6,712,500	369,800,000
1913	12,080,800	869,600,000	11,805,200	531,400,000	102,000	34,300,000	125,000	84,800,000	24,113,000	1,520,100,000

¹(Fiscal year)

The following table shows the percentage of the total export value constituted by each of these four tariff groups:

	Fiscal Year 1923-24	Year 1913
Foodstuffs	55.4	55.2
Raw Materials and Semi-finished Products.....	42.8	36.9
Animals	0	2.3
Manufactures	1.8	5.6
	100	100

The quantities in tons and gold rubles exported across the European (including the Black Sea coast of the Caucasus) border and the Asiatic border respectively were as follows:

Year	Across European Frontier		Across Asiatic Frontier	
	Tons	Gold Rubles	Tons	Gold Rubles
1923-24	6,130,500	339,700,000	582,000	30,100,000
1913	23,735,000	1,421,000,000	378,000	99,100,000

The percentages of the total value of the annual exports shipped across each of the two borders were across the European frontier 91.8 per cent

for the fiscal year 1923-24 and 93.5 per cent for 1913; and across the Asiatic frontier 8.2 per cent for 1923-24 and 6.5 per cent for 1913.

The following table shows the chief national markets for Soviet exports in 1923-24 as well as in 1913.

Country	Fiscal Year 1923-24		Year 1913	
	In Gold Rubles	Percentage of Total Export Value	In Gold Rubles	Percentage of Total Export Value
England	79,500,000	21.5	267,800,000	17.6
Germany	64,400,000	17.4	453,600,000	29.8
Latvia	37,300,000	10	—	—
Turkey	24,200,000 ¹	6.5	35,800,000	2.4
Holland	15,800,000	4.2	177,400,000	11.7
Italy	15,200,000	4.1	73,800,000	4.9
Esthonia	14,800,000	4	—	—
France	14,500,000	3.9	100,900,000	6.6
Japan	13,700,000	3.7	1,400,000	0.08
Denmark	10,400,000	2.8	36,400,000	2.4
Belgium	9,300,000	2.5	64,700,000	4.3
Finland	9,400,000	2.5	55,300,000	3.6
Persia	7,500,000	2	57,700,000	3.8
Untd. States	7,100,000	1.9	14,200,000	1.2
Poland	2,900,000	0.8	—	—
China	5,200,000	1.4	—	—
Mongolia	1,500,000	0.4	31,500,000	2.1
Uriankhai ²	200,000	0		

*Compare with the figures shown in the February 1 issue of the *Russian Review* ("The Soviet Union's Exports for 1923-24") in which the value is given at present prices; the total exports at 1923-24 prices amounted to 525,549,000 gold rubles.

¹Including 24,025,000 gold rubles' worth shipped over the European frontier and 150,000 rubles' worth shipped by land route across the Transcaucasian border.

²North-western part of Mongolia.

Notice should be taken of the large exports to the border States of Latvia, Esthonia and Poland (about 15 per cent of the total exports), the relatively sharp decrease in exports to Germany, and, in particular, the relative and absolute increase in the exports to Japan.

The main commodities exported during the fiscal year 1923-24 were the following (in descending order of value):

<i>Exports in 1923-24</i>			
Commodity	Volume in Tons	Value in Gold Rubles	Percentage of Total Value
Grains (All)....	2,651,000	144,000,000	38.9
Timber, rough and worked	2,029,000	47,000,000	12.7
Oil Products.....	712,000	44,300,000	11.7
Furs	8,900	20,800,000	5.6
Butter	22,400	20,500,000	5.5
Oilcake	294,000	15,000,000	4.0
Flax, Hackled Flax and Tow.	35,000	10,000,000	2.7
Eggs	—	9,000,000	2.3
Seeds (various).	103,000	8,700,000	2.3
Manganese Ore..	494,000	5,900,000	1.6

<i>Exports in 1913</i>			
Commodity	Volume in Tons	Value in Gold Rubles	Percentage of Total Value
Grains (All)....	10,662,000	594,000,000	89
Timber, rough and worked	7,647,000	165,000,000	10.8
Oil Products.....	947,000	50,000,000	3.2
Furs	13,000	17,000,000	1.1
Butter	78,000	71,500,000	4.7
Oilcake	735,000	38,700,000	2.5
Flax, Hackled Flax and Tow.	305,000	94,000,000	6.1
Eggs	—	90,600,000	5.9
Seeds (various).	342,000	35,000,000	2.3
Manganese Ore..	1,194,000	14,600,000	0.9

The small number of commodity groups classified above constituted almost 90 per cent (with respect to value) of the entire export volume for the fiscal year 1923-24.

While the absolute quantities exported in 1923-24 decreased as compared with 1913, the relative importance of the two leading export articles—grain and timber—remains almost unaltered, forming jointly about 50 per cent in both periods (1913 and 1923-24).

The proportional importance of the remaining groups is comparatively higher in 1923-24, with the exception of flax, eggs and sugar, which show a certain relative decrease in comparison with 1913, as well as unworked metals, the exports of which represent approximately the same value during the two periods (if platinum is excluded from the exports for 1913).

In addition quite considerable quantities of the following commodities were exported from Russia in 1913:

Fiscal Year 1923-24			
Commodity	Volume in Tons	Value in Gold Rubles	Percentage of Total Value of Exports
Skins of All Sorts..	700	700,000	0.1
Animals	—	—	—
Cotton Fabrics.....	200	600,000	0.1

Year 1913			
Commodity	Volume in Tons	Value in Gold Rubles	Percentage of Total Value of Exports
Skins of All Sorts..	42,000	37,100,000	2.4
Animals	—	34,300,000	2.2
Cotton Fabrics.....	17,200	43,900,000	2.8

These goods possess no appreciable significance in the exports for the fiscal year 1923-24.

Progress of Soviet Oil Exports

The latest available statistics demonstrate that the Soviet Union's petroleum product exports are continuing to increase at a very rapid rate. The following list of quantities in poods and percentages shipped to the various foreign countries during the two past fiscal years, 1922-23 and 1923-24, will be useful for general comparative purposes:

Country	Quantity in Poods		Percentage of Total	
	1922-1923	1923-1924	1922-1923	1923-1924
England	8,647,000	24,525,000	45.7	55.5
Germany ...	3,764,000	4,397,000	19.9	10
Belgium	858,000	1,759,000	4.5	4
France	327,000	3,252,000	1.8	7.4
Italy	414,000	2,124,000	2.3	4.8
Austria	307,000	1,300,000	1.6	2.9
Hungary	1,646,000	2,195,000	8.7	5
Czechoslovakia	—	661,000	—	1.5
Holland	—	854,000	—	1.9
Sweden	2,000	13,000	—	0.03
Denmark ...	122,000	124,000	0.6	0.3
Latvia and Lithuania	381,000	810,000	2.0	1.8
Esthonia	240,000	468,000	1.3	1
Bulgaria ...	78,000	156,000	0.4	0.4
Turkey	2,121,000	1,486,000	11.2	3.4
Finland	—	31,000	—	0.07
Total ...	18,907,000	44,155,000	100	100

Figures compiled for the first quarter (October 1, 1924 to December 31, 1924) of the current fiscal year 1924-25 reveal that the aggregate oil product exports for this period were 11,740,000 poods, an advance of 64.6 per cent over the total (7,130,000 poods) for the corresponding interval of the preceding fiscal year. The amounts shipped under each of the chief categories of petroleum products were as follows for the quarter in question:

Kind of Oil Product	Quantity Exported in Poods	
	1st Quarter of 1924-1925	1st Quarter of 1923-1924
Kerosene.....	5,720,000	4,580,000
Benzine	1,970,000	1,220,000
Lubricating Oils	1,500,000	730,000
Fuel Oil	1,730,000	70,000
Solar Oils	820,000	530,000
Total for First Quarter.	11,740,000	7,130,000

The most striking comparative increase in exports was recorded for fuel oil, the shipments of which were insignificant during the previous fiscal year. The exports of lubricating oils doubled and those of benzine augmented by 61 per cent. The smallest export progress was displayed by kerosene—25 per cent. In absolute volume, however, kerosene accounted for almost half of the total oil products exported.

The records of the Oil Syndicate for the month of January 1925 show that the expansion of oil exports is now proceeding at an even swifter pace. During the single month in question 6,500,000 poods of oil products were shipped out of the Soviet Union as against 3,800,000 poods during the foregoing month of December and only 2,100,000 poods in January 1924.

Fuel oil ("mazut") is becoming an important factor in export activities, the quantity shipped out during January (1,615,000 poods) equalling 93 per cent of the total exports of this product for the entire preceding quarter of the fiscal year. These "mazut" exports are being handled chiefly through agreements with the Italian industrial consortium "Utenti Nafta" and the "Mexican Petroleum Company" of England.

Among the contracts closed during January there is an important one with a French firm for the delivery of benzine and various oils over a period of two years, 70,000 tons of benzine and 30,000 tons of lubricating oils to be supplied in 1925, and 90,000 tons of benzine and 40,000 tons of lubricating oils in 1926. In addition an order was received for 11,000 tons of gasoline, which quantity will constitute the first Soviet exports of this grade of petroleum. In January 5,000 tons of heavy Baku benzine were sold to England. During the early days of February a transaction was concluded with the Italian Government for the sale of 2,000 tons of machine oil as a trial order.

Recent Soviet Exports to Germany

In an interview with the Berlin correspondent of the Moscow "Economic Life" Mr. Korobochkin, a member of the Soviet Trade Delegation in Berlin, supplied the following information covering recent exports from the Soviet Union to Germany.

Largely owing to Germany's improved economic situation and the consequent enhanced demand for industrial raw materials, Soviet exports to that country increased considerably during the first four months (October 1, 1924 to February 1, 1925) of the current fiscal year 1924-25.

The Trade Delegation's sales of Soviet timber products, including sawn lumber, have grown with particular rapidity, the total for the four months in question being larger than for the entire preceding fiscal year 1923-24. Other commodities have also registered large export increases. Greater quantities of Soviet petroleum products have been ordered of late by German firms. Latterly

the Trade Delegation has closed contracts for the delivery of large quantities of manganese and iron ores to Germany, as well as to other central European countries, during the course of 1925 and 1926.

Fur sales during this four-month period have aggregated 4,000,000 gold rubles, as compared with 5,500,000 gold rubles for the whole previous fiscal year. The soft grade of bristles has also been in great demand, the Delegation having readily disposed of all available stocks at prices 40 per cent above those prevailing in 1923-24. Among the noteworthy large transactions may be mentioned an order for the delivery of 4,000 tons of asbestos this year at a total price of over 1,600,000 gold rubles. Soviet tobacco sales in Germany during the same four months have reached approximately 600,000 gold rubles, which is only slightly less than the total Soviet tobacco exports to Germany for the whole elapsed fiscal year 1923-24. Egg exports have likewise augmented substantially. Among the articles newly exported to Germany by the Soviet Union may be mentioned caustic soda, cow hair, and geese.

Mining, Trading and Hunting Concessions

AFTER confirmation by the Council of People's Commissars, the Chief Concessions Committee formally validated a concession agreement in virtue of which the Soviet Government grants to the Norwegian citizen, Finn Storen, the right to engage in searching and prospecting for all sorts of minerals, including petroleum, but excluding platinum and metals of the platinum group, as well as radium and its concomitants, within the limits of the area situated in the eastern part of the Buzachi Peninsula along the southern zone of the Kaidak or Karasu Bay, measuring about 12,000 square versts.

The concessionaire has bound himself to complete the work of exploring the area included in the concession within a term of five years, boring down on the average not less than 50 sazhen into each sector tested; to spend at least 800,000 rubles on the prospecting operations; and to investigate thoroughly the region assigned to him, in connection with which, at the expiration of the period designated, the concessionaire must furnish the Government with a geological map of the territory prospected. The allotments under mining operations are to be managed in conformity with the system prescribed by the general laws and regulations covering mining operations in the Soviet Union.

The concessionaire is bound to equip the enterprise to such an extent as to enable him to carry out the production program, the extent of which is to be established by a subsequent agreement between the concessionaire and the Soviet Government.

With the exception of articles, machinery and equipment which are not obtainable in the Union of S. S. R., importations of equipment ordered by the concessionaire from abroad are subject to all the foreign trade regulations.

The Government reserves the right to purchase 50 per cent of the concessionaire's annual output, the concessionaire being bound, in this connection, to sell to the Government at a stipulated price any gold he may produce. During the period of prospecting work the concessionaire is to pay rent to the Government, and, in addition thereto, he has to pay—from the time exploitation begins—a proportionate share of the output, amounting up to 50 per cent in the case of gusher oil.

Besides this the concessionaire is to pay all duties and taxes, and he must pay the tax on surplus profits (above 25 per cent) separately according to the corresponding scale.

In matters pertaining to labor conditions in the concessionaire's enterprises and with respect to the social insurance of his workers and clerks, the concessionaire is subject to the code of labor laws and is obliged to conclude collective agreements with the trade unions. The concessionaire is bound to permit engineers and technicians under Government orders to become acquainted with the conduct of the concession enterprises, and he must also accept for work in his establishments each year students and other persons who have completed advanced technical courses—for the purpose of acquiring practical experience.

At the expiration of the concession term, as well as in the event of an earlier termination of the concession through the fault of the concessionaire, the enterprise with all buildings, equipment and stock passes over to the Government without compensation.

The agreement has been concluded for a term of 35 years, but the Government has the privilege of buying back the concession before its termination under specially stipulated terms.

The Russo-Polish Joint-Stock Company

In December, 1924, the People's Commissariat for Foreign Trade and a joint-stock company of Warsaw, known under the firm name of the "Dava-Britopol" Industrial and Trading Company, concluded an agreement for the establishment of The Russo-Polish Joint-Stock Company ("Ruspol-torg"). The aims of this new company are: (a) to export from the Soviet Union and sell abroad timber materials, bristles, horsehair, medicinal herbs, and other goods under licenses to be issued specially in each instance by the People's Commissariat for Foreign Trade; (b) to import into the Soviet Union and sell on its domestic markets cotton, and crude chemicals and pharmaceuticals; and (c) to invest the company's capital for the purpose of working up and bringing raw materials intended for export into a condition suitable for that purpose.

The company's capital stock is fixed at 1,000,000 gold rubles, and the shares are equally divided between the two founders. All the capital is to be paid in not later than six months after the ratification of the company's by-laws.

Dried Fruit Concession

In December, 1924, the State Import-Export Trading Bureau ("Gostorg") concluded with an English firm, the "Union Company," a joint-stock organization of associated refrigerating establishments, an agreement whereby the contracting parties are to undertake the preparation of dried fruits within the limits of the Union of S. S. R. for export.

The State Trading Bureau will carry out the purchase of the goods from the individual producers while the "Union Company" will finance this work, the sum employed for this purpose to be not less than £35,000 without the imposition of any interest charges whatever therefor. The "Union Company" is to compensate the State Trading Bureau for activities of its apparatus by the allowance of organizational expenses equivalent to 6 per cent of the value of the shipments prepared.

The net profits will be equally divided between the contracting parties, but if a loss is shown, it is to be borne by the "Union Company."

The term of the agreement is set at April 1, 1925, whereupon, if on closing the profit and loss account a gain is shown, the State Trading Bureau is bound, in the event the "Union Company" so desires, to enter into an analogous three-year contract, retaining all the fundamental conditions of the initial agreement. In this case, for the purpose of developing the business successfully, the "Union Company" is obliged to invest £30,000 at an annual interest of 6 per cent for the entire duration of the contract, this sum to be devoted to long-term credits for the Soviet farms, agricultural cooperatives and other agencies engaged in the purchase of fruit, under conditions defined yearly by plans to be elaborated.

All disputes that may arise in connection with the agreement are to be adjudicated by the courts of Moscow.

American Fur Firm Registered in the U.S.S.R.

An American firm, Brenner Bros., has been negotiating with the Managing Board of the State Trading Bureau, with a view to purchasing from the latter, furs for the sum of about 500,000 gold rubles. The deal was approved by the People's Commissariat for Foreign Trade, and the Chief Concession Committee decided to register the above firm in accordance with the Decree of April 12, 1923, for the purpose of signing and executing the contract.

Swedish Dairy Machinery Firm Registered in the U. S. S. R.

The Swedish firm "Baltik," of Stockholm, which manufactures on a large scale dairy machinery, such as separators, churns, as well as equipment for creameries and cheese factories, applied to the People's Commissariat for Foreign Trade for registration under the Decree of April 12, 1923, in order to get permission to open offices in Moscow, Novo-Nikolayevsk and Rostov-on-Don, for the purpose of giving expert information and instruction on mechanical equipment of dairy farms, and for fitting out creameries.

On the basis of the favorable report of the People's Commissariat for Foreign Trade, the Chief Concessions Committee granted the firm's application and registered it for a period up to January 1, 1926.

Italian Shipping Company

The Chief Concessions Committee attached to the Council of People's Commissars, received, through the People's Commissariat for Foreign Trade, an application from the Italian shipping company "Trans-Atlantica-Italiano" for permission to carry on marine transport operations within the U. S. S. R. The opinion of the People's Commissariat of Foreign Trade was in favor of granting the Company the right of operating in the U. S. S. R.

The Chief Concessions Committee registered the Company for carrying on the above mentioned operations for a period of one year.

Seal Hunting Concession

A Norwegian firm consisting of a group of sealers known as the "Alesund Ship Operating Union," which had the concession for marine hunting during the 1924 season, made application to the Chief Concessions Committee in December for the award of the same concession for the season of 1925.

With slight changes the concession agreement is a duplicate of the previous one.

The field of the sea hunting operations takes in the marine territorial waters of the Union of S. S. R. on the North-European part of the Soviet Union from the Finnish boundary to the western shores of Nova Zembla, inclusive, along the entire continental and island coast line, but excluding the area of the White Sea south of the line between the Orlovsky Lighthouse and Cape Kanushin.

The tonnage of all the ships constituting the group is not to exceed 4,000 tons. The group is to pay the Government \$6.50 per ton, while the total sum to be paid to the Government by the group must not be less than \$25,000.

Disputes in connection with the agreement are to be settled by a court of arbitration, and if the parties cannot agree upon the choice of an umpire,

the latter is to be designated by the Russian Academy of Sciences.

The term of the concession is fixed from March 1 to June 15, 1925. The beginning of the period is set forward one month as compared with last year's agreement, in order to prevent the concessionaire from destroying the young seals.

The draft of the agreement presented by the Chief Concessions Committee has been confirmed by the Council of People's Commissars.

The Achinsk-Minusinsk Region and its Concession Possibilities

THE Achinsk-Minusinsk region located in South-western Siberia, has an area of 72,000 square versts and a population of about 300,000. Its outstanding economic feature is the occurrence of rich coal and iron deposits in proximity very advantageous for exploitation. It is estimated that the iron ore resources total 2,500,000,000 poods with an average metal content of from 62 to 70 per cent. The coal reserves are put at 50,000,000,000 poods. In addition to the enormous coal and iron deposits there are also copper and gold mines.

The exploitation of the iron industry was started in that region many years ago. The Abakansk plant which was constructed in 1867 operated up to 1908, when it was forced to shut down owing to the fact that the completion of the Trans-Siberian Railroad made the competition of the Ural mills insurmountable for it. With the construction of the new Achinsk-Minusinsk Railroad, however, conditions have changed in this regard, so that the Abakansk plant now offers an attractive opportunity for renewed and enlarged operations, all the more so because sufficient stocks of all the necessary raw materials are on hand. The installation of some new equipment would enable the mill to produce promptly at the rate of 400,000 poods of cast iron annually.

Among the copper deposits thus far discovered the Mainsk deposit, situated south of Minusinsk on the left bank of the Yenisei River, below the point of its confluence with the Ui River, and the "Julia" mine, 18 versts from the Achinsk-Minusinsk Railroad, may be singled out as the most important. More surface exploration and deep boring will have to be done before any adequate estimate of the copper wealth of this region can be made. It is expected that after the preliminary prospecting and equipment work the production of copper could readily be brought up to between 400,000 and 500,000 poods at the Mainsk deposit alone.

The known gold deposits in this area are in the Olkhovsk region, located in the basin of the Kizyr River, which joins the Tub River to form a tributary of the Yenisei. The field lies 170 versts from

Minusinsk, and the available gold ore is reckoned at 23,500,000 poods with a gold content of 5 zolotniks* per 100 poods. Before the revolution the following increasing quantities of gold had been derived from this field: 8 poods in 1914, 14 poods in 1915, 18 poods in 1916, and 24 poods in 1917. Operations were resumed to a small extent in 1920 and 1921, when 5 and 3½ poods respectively were turned out. Further surveys for gold deposits might help to ascertain the total probable resources of this precious metal.

The region also possesses a salt-producing lake—Lake Farsol—situated 3 versts from the Achinsk-Minusinsk Railroad. It has an area of 225 dessiatins and could yield up to 1,000,000 poods of salt annually under favorable conditions. In view of the fact that the population of this district is now supplied with salt by Irkutsk and Pavlodar, both about 1,000 versts distant, a local market for 400,000 poods of salt a year is assured.

Another interesting possibility for development lies in the mineral water lake three versts from Uchum Station on the Achinsk-Minusinsk Railroad. These mineral waters are of a bitter carbonic-alkali-salt character. The mineral water and mud baths in this locality are reputed to cure rheumatism, liver diseases, etc.

The Achinsk-Minusinsk territory is richly endowed with forests, but in view of the great distance from sea ports these timber resources have no export significance at the present time. They will, however, prove a valuable auxiliary in connection with the exploitation of the mineral riches.

The exploitation of these natural riches has practically not been started as yet due to lack of capital. It is expected that the influx of foreign capital will greatly contribute to the industrial development of this part of Siberia.

Educational Progress in the U. S. S. R.

THE All-Russian Teachers Congress, which convened in Moscow on January 13 and was attended by 1,500 teachers from all parts of the Soviet Union, brought out the fact that considerable educational progress had been effected.

An important change has occurred in the attitude of the general teaching body, a considerable part of which was openly or secretly opposed to the Soviet regime during its early period. At present the teachers are practically unanimous in their wholehearted sympathy with the Soviet Government and show themselves ready and eager to promote the educational progress of the Soviet Union.

Along with this improvement in the spirit of the teaching force a very considerable betterment was revealed in the material condition of the school system. Although the number of

schools, their equipment and the provisions for the welfare of the teachers still leave much to be desired, a decided turn for the better has set in since the opening of the current scholastic year.

In an address to the Congress Mr. Lunacharsky, People's Commissar for Education, outlined the progress achieved and the prospects for the immediate future. In this connection it is deplorable to observe that the foreign press has absolutely neglected to report the evidence of improvement presented by Lunacharsky on this occasion, whereas last October, when he related before the All-Russian Central Executive Committee the hardships suffered by the teachers and the urgent need of additional funds, the same papers, now so silent, spread his statements broadcast and drew unwarranted conclusions detrimental to the Soviet regime to the effect that illiteracy was increasing and that education was even worse than under Tsardom.

The Commissar declared that the Soviet Union's situation with respect to self-defense and economic reconstruction had ameliorated to the point where more money and attention could be devoted to education. He pointed out that while he had been constrained to emphasize the meager funds appropriated for educational purposes at the sessions of the All-Russian Central Executive Committee, it must be recognized that the Soviet authorities had given the Commissariat for Education the utmost that could be afforded in view of the country's poverty. Now that it had become possible to provide more, the Government had not failed to do so. The 60,000,000 gold rubles granted to the Commissariat for Education last October for the year 1924-25 had been increased to 78,000,000 gold rubles by a supplementary appropriation, this total to be used for the R. S. F. S. R. i. e., Soviet Russia proper. In 1923-24 the aggregate amount at the disposal of the central authorities of the Commissariat for Education for use throughout the Soviet Union was 85,000,000 gold rubles, whereas this year it had been raised to 140,000,000 gold rubles. Lunacharsky went on to say that the position with regard to local educational appropriations was even more propitious. Last year the local revenue available for educational needs had been estimated at 80,000,000 gold rubles but had actually reached only 62,000,000 gold rubles. The local estimates for the current year had been fixed at 240,000,000 gold rubles. Even on the pessimistic forecast that the actual income would be proportionally less than in 1923-24, it could be safely assumed that the local revenue available for educational purposes in 1924-25 would come to 180,000,000 gold rubles. Thus, while the total expended for education last year was 147,000,000 gold rubles, this year it would be not less than 320,000,000 gold rubles. The Commissar concluded that by proceeding at this rate the Soviet Union would soon be on the road to worthy educational achievement.

*One solotnik equals 65 grains.

Foreign Relations of the U. S. S. R.

Soviet-Japanese Relations

IN connection with the signing of the Soviet-Japanese agreement, the Moscow representative of the Japanese telegraph agency "Tokho" requested Mr. Ganetzky, member of the Collegium of the People's Commissariat for Foreign Trade, to answer a number of questions which in his opinion are of the greatest interest to the Japanese people at present.

In response to these questions Mr. Ganetzky made the following statement:

"The whole international policy of the Union of S. S. R. is based upon adherence to the principle of equal rights for all nations and upon due regard for mutual economic interests. The future commercial treaty between the U. S. S. R. and Japan will have to be grounded upon the same principles. This treaty is to create the legal framework for the revival of trading and economic relations between the two countries.

"The pre-war commerce between Russia and Japan was not large. It was only during the revolution that more extensive trade arose between the Far-Eastern Region and Japan. Since then large timber exports have been made to Japan, and the exportation of fish products is also increasing steadily. During the past years the Maritime Province has been shipping agricultural products (oats, linseed, etc.) to Japan. At present it is planned to make enlarged exports to Japan not only of products from the Far-Eastern Region, but from the entire Union of S. S. R. as well.

"Among these commodities are oil products, salt, iron, etc. Simultaneously Japan may find a market in the U. S. S. R. for many of its goods, such as paper, fishing nets and other fishing equipment. In addition Japan could supply the demands of the Soviet silk industry for raw materials, etc. According to the customs statistics for 1923-24 the total trade turnover with Japan has already reached the sum of 15,500,000 gold rubles, which is almost three times greater than the total for 1913.

"It will not be necessary to form a special syndicate of Japanese firms for the development of commercial relations with the Union of S. S. R. Upon the conclusion of the commercial treaty a Soviet Trade Delegation will be established to do business directly with Japanese trading and industrial concerns. However, it may be desirable to create a Soviet-Japanese Chamber of Commerce, where Japanese merchants could obtain the necessary information about market conditions and business regulations prevailing in the U. S. S. R. This chamber might also keep in touch with the Soviet-Oriental Chamber of Commerce and other organizations of a similar character.

"Foreign firms are admitted for permanent activities in the U. S. S. R. under special regulations

prescribed in the decree of April 12, 1923. According to these provisions foreign concerns are permitted to transact business within the U.S.S.R. after they have been registered by the Chief Concessions Committee upon the recommendation of the People's Commissariat for Foreign Trade. Foreign firms authorized to operate in the Union of S. S. R. import goods in accordance with the generally established procedure, i. e., against licenses obtained from the People's Commissariat for Foreign Trade and subject to the conditions under which they have been permitted to function in the U. S. S. R. By virtue of the monopoly of foreign commerce now in force in the U. S. S. R. imports and exports are effected through the organs of the People's Commissariat for Foreign Trade. Apart from these organs only a few other State and cooperative organizations (Oil Syndicate, Textile Syndicate, "Centrosoyuz") possess the right to carry on direct export and import operations with foreign markets. Other enterprises or institutions in need of foreign goods or desirous of exporting their own have to transact their business through the State Trading Bureau or Trade Delegation concerned, after receiving the necessary import or export license. If the corporations in question are authorized to engage in foreign trade and if their applications for export and import licenses relate to commodities subject to annual quota restrictions, the procedure for the issuance of the permits requires a moderate time—a few days.

"A number of foreign firms and mixed companies are already operating in the U. S. S. R. with the participation of foreign and Soviet capital. The activities of these firms and companies are extensively described in economic Soviet publications. The legal status of the Trade Delegations in foreign countries is defined at length in the commercial treaties which the Union of S. S. R. has concluded with other nations, for instance in the treaty with Italy, in the unratified treaty with England, etc.

"At the present moment it is difficult to say how many offices the Trade Delegation of the U.S.S.R. will have in Japan. It depends upon the development of trade. I think that besides Tokyo our trade organs will cover other important commercial points, such as Osaka, Hakodate, etc."

France and the Soviet Union

In a leading article in the February 10 issue of "Izvestia" the renowned Russian publicist Steklov stresses the serious obstacles raised by the actions of the French themselves against the creation of that "atmosphere of mutual confidence" for which certain French newspaper writers have appealed as an indispensable condition for the success of the forthcoming negotiations between France and the Soviet Union.

Turning first to the thorny question of the pre-war debts as the one about which the greatest clamor has been made—both France and England having practically agreed (at the Genoa Conference) to the cancellation of Russia's war-debts—Steklov points out that apart from shutting their eyes to the fundamental transformation wrought by the social revolution in the attitude of the working masses toward the repayment of these old Tsarist loans, the French have persistently neglected to consider the incontrovertible fact that by their former intervention tactics they not only rendered themselves liable to tremendous counter-claims, but also brought about the destruction of the very financial and economic resources upon which depended the possibility of the reimbursement desired by them. He regards it as reassuring to observe, however, that the French now seem to be coming around at last to the wiser point of view that there are many political and economic questions of more present and future significance to both countries than the question of Tsarist debts.

After commenting upon this promising change in the general attitude of France, he welcomes the suggestion on the part of the French press that the "polemical brickbats" be laid away, so that the diplomats and experts may be permitted to do their work in a wholesome atmosphere of mutual confidence. The Soviet Union, declares Steklov, desires nothing better, but he then proceeds to ask the following series of pointed questions as to how such a harmonious situation can be possible in view of French tactics.

"Is it possible to talk of mutual confidence when we have up to the present no assurance that France is not participating in the encirclement of the Soviet Union and not supporting our direct enemies?"

"Is it possible to speak of mutual confidence when we have been the witnesses of a series of newspaper and parliamentary attacks aimed against the territorial integrity of the Soviet Federation and not disavowed by the French Government? When a so-called "Georgian government" exists in Paris, representing nobody knows whom, and when this mythical "government" is invited to official diplomatic receptions and to State manifestations such as the bearing of Jaures's remains to the Pantheon? When in Paris, along with our legal, plenipotentiary representation, there exists and continues to function some sort of old "Embassy" and "General Consulate" created by the White-Guard emigres?"

"Is it possible to speak of mutual confidence when the rights of our Government are not protected by the French Government, when property unquestionably belonging to our Government, is not guarded against pillage? When the French courts, both in the matter of the banks and in the case of the "Red Cross," pronounce clearly illegal

judgments, paying no attention to the de jure recognition of the Soviet Republic?"

"Is it possible to speak of mutual confidence when one of the most important instruments of our national defense, our fleet, carried off by the French agent Wrangel with the complicity of the French Government, is illegally and arbitrarily withheld in French ports, placing our Government into a difficult position and constraining us to make added unproductive expenditures?"

"Here are questions founded on facts, on deeds. It is no longer possible to counteract these with mere verbal declarations, sentimental statements about "sincerity" and "confidence." Only by deeds, only by the sincere fulfillment of the obligations flowing out of the French Government's de jure recognition of the Soviet Union, can the legitimate apprehensions of our people be dispelled and the road blazed to that real agreement between the two countries which we wholeheartedly desire."

French Ambassador Visits Soviet Economic Organizations

On January 17 Mr. Herbette, French Ambassador to the Soviet Union, was escorted on a tour of inspection around the principal economic enterprises and organizations in Moscow. Among the places visited were the Trade Exchange, the State Bank and the Bank for Foreign Trade, and the offices of the Centrosoyuz (Central Union of Consumers' Cooperatives), the Grain Products Company, and the Oil Syndicate.

The tour ended with a banquet given in Mr. Herbette's honor by the Trade Exchange Council. It was attended by representatives of the leading economic organizations and addresses of greeting to the new envoy were delivered. Among others, Mr. Malyshev greeted Herbette in the name of the Nizhni-Novgorod Fair organization and expressed the belief that this fair on the part of the Union of S. S. R. and the Lyons Fair on the part of France would assist in strengthening the economic ties between the two countries. Mr. Kaganovich welcomed the Ambassador in the name of the Trade Exchanges, explaining their importance in the Soviet Union's economic life and stating that the resumption of relations would doubtless lead to close connections between the Soviet and French trade exchanges.

In response Mr. Herbette expressed his thanks for the cordial welcome accorded him and declared that he had been keenly interested in learning about the role of the Soviet trade exchanges and the other economic enterprises. He added that mutual knowledge and understanding must form the basis of interrelations between France and the Soviet Union. The imperative needs of the day now dictated the inauguration of that practical work which would serve the economic necessities of both nations. His speech was warmly applauded.

Danzig and the U. S. S. R.

The Warsaw correspondent of the "Rosta" news agency reports that a friendly reception was accorded to Mr. Besedovsky, Councilor of the Soviet Embassy in Warsaw, and Mr. Myaskov, Soviet Trade Representative, upon their arrival in that city by the Danzig Government as well as by the Committee of the Danzig Fair and by the local industrial circles.

They were received immediately upon their arrival by the President of the Danzig Government, who thanked them for their attention and invited them to examine the Danzig seaport. A grand banquet was arranged in the honor of the representatives of the U. S. S. R. The President of the Committee of the Danzig Fair, Mr. Siebenreich, delivered a speech in favor of the establishment of intimate economic relations between the City of Danzig and the U. S. S. R.

Mr. Besedovsky responded with a speech advocating the free economic development of Danzig and dwelt upon the feeling of deep sympathy which the peoples of the U. S. S. R. entertain toward the workers of Danzig, the friendly attitude of the latter towards the U.S.S.R. in the critical days of 1920 being still fresh in their memories. The Danzig press is full of articles and reports on the arrival of the representatives of the U. S. S. R. Much significance is attached to this event by the press, which emphasizes its coincidence with the political boycott of Danzig by Poland. The press comments also point out that the economic contact of the city of Danzig with the U. S. S. R. would compensate it for the losses suffered from the political boycott by Poland. Much emphasis is laid upon the immense political consequences which the strengthening of the economic ties with the U. S. S. R. may have by increasing the Soviet Union's influence in Danzig, which is the only sea-outlet Poland has.

The New Flag of the Chinese Eastern Railroad

The governments of the U. S. S. R. and China have approved the design of the new railroad flag proposed by the management of the Chinese Eastern Railroad.

The flag is a combination of the state flags of both countries. The manager of the Railroad has issued the following order to the employees and officials:

"On the 13th of October we were requested to remove the old flag of the Chinese Eastern Railroad from all buildings.

"I herewith inform you that the design of the new flag for the Chinese Eastern Railroad, which was unanimously accepted at the meeting of the Railroad Management, has been approved by both governments.

"The flag is to be flown simultaneously on the buildings of the Railroad Management, over the stations and all station buildings of the Railroad. It must be unfurled on the first of January, 1925,

at noon, in the presence of the officials and local public organizations."

The Soviet Union and Mongolia

In connection with the reports which recently appeared in the Chinese, Japanese and European press about the movements of Soviet troops in Mongolia with the alleged purpose of annexation of Mongolia by the U. S. S. R., a correspondent of the Russian Telegraph Agency interviewed on January 15 Hendun, the representative of the Small Council of State of Mongolia, and the prime minister, Tseren Dorji. During the interview the representatives of the Mongolian people and government made the following statements:

"The Great Council of State has solemnly declared before the entire world that Mongolia is an entirely independent State. The question of entering the Union of S. S. R. has never come up. On the basis of a special agreement Mongolia keeps up friendly relations with the U. S. S. R. The Soviet plenipotentiary representative in Mongolia occupies in this country a similar position as the Soviet representatives in Germany, France, Italy and China. The Mongolian envoy in Moscow is there as the representative of a sovereign State. The news of a despatch of Soviet troops to Mongolia is a foolish canard.

"Several years ago, when the remaining fragments of the White Guard bands threatened Mongolia both from within and from without, and at the same time were a menace to the Russian Soviet Republic, a small detachment of Soviet troops was left in Urga at the request of the Mongolian Government; the purpose of these troops being the protection against Russian White Guard bands, but in no way the assault of third parties."

In conclusion the prime minister stated: "The origin of these slanderous inventions goes back to the Chinese jingoes who still dream about conquering Mongolia. They are looking for an excuse to make an invasion and therefore spread from Peking throughout the world false information about the internal conditions of Mongolia and her interrelations with the U. S. S. R. The Mongolian people well remember the atrocities of the Chinese General, Sui-Sha-Djen who was a Japanese mercenary. The Mongolian Government is vigilant in the defense of the independence of its government and will not under any conditions permit the invasion of foreign usurpers."

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Cultural Life in the Soviet Union

National Institute for Musical Science

THE National Institute for Musical Science is a scientific institution engaged in the study of questions connected with musical science, by the methods of natural science.

The idea of the creation of such an institution is already many years old, having originated among a number of prominent musical artists (N. G. Rubinstein, V. F. Odoyevsky), who were fully aware of the necessity of a scientific study of so complicated an art as that of music.

This thought was already partially realized by a number of scientific musical organizations, but in its entirety it was not realized before the establishment of the National Institute for Musical Science.

The Institute embraces more than eighty students of musical science. Its work is carried on in five sections: (1) The Physical-Technical Section; (2) The Physiological-Psychological Section; (3) Vocal Method Section; (4) The Ethnographic Section; (5) The Pianoforte Method Section.

During the first half of 1924, the Institute carried on a very extensive work, which was concerned both with a theoretical investigation of a number of musical problems as well as with the material realization of the projects that had been elaborated. A mere enumeration of this work will show with sufficient clearness how intensive and fruitful has been this activity of the new institution in the U. S. S. R.

This work has had the following results in the various sections:

The Physical-Technical Section devoted all of its work to the study of two subjects: (1) The acoustics of music; and (2) The investigation and perfection of musical instruments.

Each of these fields was studied by a special committee. In the work of the Committee on Acoustics, the following are deserving of mention: S. N. Rzhevkin, A. M. Avraamov, N. A. Garbuzov and I. G. Khomutov.

S. N. Rzhevkin is engaged in the construction of a cathode harmonium of his own invention. This harmonium at present has four separate sound generators, affording the possibility of obtaining chords of four tones, as well as the entire chromatic scale within the limits of one and one-half octaves. In addition, S. N. Rzhevkin is working on the construction of a key-board instead of a time-stop device, and also on the question of obtaining dynamic shadings in playing.

A. M. Avraamov has given considerable labor to the practical solution of the question of new tonal systems, and has produced interesting and ingeniously devised experiments with a tempered scale of forty-eight tones.

N. A. Garbuzov is devoting his attention to questions connected with relative power of sound produced by musical instruments.

I. G. Khomutov is working on the question of the best type of paper membrane for radio transmission.

Among the lectures delivered in the course of the first half of 1924 on acoustics the following are worthy of mention: S. N. Rzhevkin, "The Latest Achievements of American Scholars in the Field of Acoustics;" A. N. Avraamov, "Concerning the Detempering of Music;" P. V. Leiberg, "Concerning a Tempered Scale of 41 Equal Intervals;" Smirnov "On the Physharmonium of My Own Construction."

The Committee for the Investigation and Perfection of Musical Instruments concentrated its work on the study of the various instruments. Most of the lectures were devoted to string instruments, particularly the violin. On the latter subject, the following lectures were delivered:

Oberberg, "The Investigations of Savard in the Field of the Acoustics of String Instruments;" Podgorny, "The German School of String Instruments," and "The National Collection of String Instruments;" Vitacheck, "Some Contributions to a Determination of the Mechanical Procedure and Construction of String Instruments by the Old Masters;" Podgorny, "The Violin and its Parts;" Vitacheck, "The French Violin School," and many others.

In addition, a number of other musical instruments were investigated by the Committee's scholars, for example, the pianoforte, the accordion.

The Physiological-Psychological Section, conducts its work through three committees: (1) On Experimental Aesthetics, (2) On the Investigation of the Principles of Musical Audition, and (3) On Musical Talent.

The Committee working on experimental aesthetics has devoted most of its attention to theoretical problems in the field of the art. The sessions of this Committee were devoted to the subject of the phenomenological method in aesthetics (lecture by Lossev), the problem of expression in music (lecture by Belyaeva-Ekzemplarskaya, and the tendencies of present day aesthetics (lecture by Lossev).

The theoretical labors of the Committee have been prepared for the press. Among them may be mentioned: Lossev, "Tentative Forms in Music," Belyaeva-Ekzemplarskaya, "The Problem of Aesthetic Audition;" Malitseva, "The Means of Musical Expression."

The activity of the Committee for the Study of Musical (acoustic) Audition is for the most part of experimental and investigating nature. Of the activities of the Committee, the following have attracted attention: the experiments of S. P. Ekzem-

plarsky devoted to clarifying the part played by conscious motor elements in the audition of complicated musical productions, and his experimental work in the investigation of the musical development of children of pre-school age, in which connection a number of experiments with varied musical material, as well as with variations in age groups, have been conducted; the work of A. F. Lossev, on questions connected with the problems of musical psychology, and a series of experiments with the Baerwald method, concerned with the motor type of apperception among musicians, accompanied by control experiments on the development of absolute hearing in connection with the lecture by E. A. Malitseva on the subject "On Absolute Hearing and Methods of Developing it."

The Committee for the Investigation of Musical Talent collected a great deal of material among children who had barely begun their musical education, and among defectives, and introduced control experiments on the basis of texts that had been prepared in advance. The preparation of the latter required the exertion of a great deal of energy.

The work of the Section for Musical Method has as its object a detailed study of the existing methods of instruction, and the selection from among those methods of the ones most practical and founded on the best scientific basis. This work should throw light on the hitherto dark field of vocal pedagogics and affords a possibility of eliminating all defects and abuses hitherto present in such instruction. Simultaneously, the Section is establishing its point of view in the work of the various factors in voice production, in throat breathing, in the breathing of the resonators, in the determination of types of breathing, in the investigation of the motions and work performed by the throat, in the importance of the resonators, and in clarifying the scientific nomenclature.

In order to create a uniform method of instruction in singing, based on a scientific foundation, a laboratory for this purpose has been established in the Section.

The lectures delivered in the Section have been concerned chiefly with questions of vocal technique. Among them may be mentioned: N. P. Kochetov, "Vocal Technique and its Significance;" Prof. E. E. Yegorov, "Concerning the Cultivation of the Musical Hearing of Singers in Connection with the Directing of the Voice." V. G. Massini, "The Diagnostics of the Voice in the Art of Teaching to Sing;" Professor Zasedatelev, "The Voice and Sex;" P. I. Tikhonov, "The Fundamentals of Singing, as established by Theory and Practice;" E. K. Rozenov, "The Theory of Primary Tones."

In addition, a number of lectures were also delivered on the subject of recently published achievements in the fields of vocal technique and method, for example: a lecture by P. I. Tikhonov on the work of G. T. Shukhmin, "The Theory of a Harmonious Development of the Voice;" Professor Zased-

atelev, on the book of O. G. Labanova, "Correct Breathing, Speech and Singing," and others.

The Section on Pianoforte Method devotes the greater part of its attention to a study of questions connected with the history and method of pianoforte playing. Of the lectures delivered in this Section the following may be mentioned: lectures by E. K. Rosenov: (1) "On Bach's Playing of the Clavichord, the Clavecin, and the Pianoforte," (2) "Time in Ancient Music, According to the Data of Quantz, Türcck, and Matteson;" lectures by A. N. Drozdov: (1) "Musical History and Musical Execution," (2) "The Pianoforte Pedal and Its Use in Artistic and Pedagogic Practice;" a lecture by A. M. Burnes, "The Graphic Method of Studying the Motions of the Pianist and the Recording of such Motions;" a lecture by P. N. Zimin, "Present Day Methods of Investigating the Motions of Workers, Particularly of Pianists." In connection with Zimin's lecture, Mr. Zimin constructed a special device for taking photographic pictures of the motion of pianists by the stereochromo-cyclogram method invented by F. Gillsbrets, as improved by the Central Institute of Labor and also carried out trial photographs of the motions of pianists.

The Ethnographic Section conducted its work chiefly in two fields; (1) The collecting of folk songs, (2) Scientific studies, and (3) Publication work. In the field of collecting popular melodies, the Section not possessing sufficient means for equipping an expedition, made a record of materials furnished by folk singers who came to Moscow for the purpose. There were thus recorded a number of songs of the Yakuts, the Caucasians, the Chuvashes and the Crimeans. (A member of the Section was sent to the Crimea for the same purpose.)

The scientific labors of the Section consisted of investigations in the field of musical ethnography, conducted by its members. Lectures were delivered as follows: Y. V. Prokhorov, (1) "On the Music of the Kazan Tartars and Meshcheriaks," with illustrated melodies, (2) "Musical Ethnography, Ethnographic Music, and the Future Prospects of Musical Ethnography;" A. V. Nikolsky, (1) "The Rhythmics of Russian Folk Songs," (2) "The Form and Voice Production of Russian Folk Songs," (3) "Russian Folk Songs considered from the Standpoint of Harmony;" S. L. Tolstoy, "Musical Ethnography Abroad;" A. S. Ilyukhin, "The Character of the Balalaika as a Russian National Instrument;" V. V. Paskhalov (1) "Historical Account of the Labors of Russian Musical Ethnographers in the Course of the Past Five Years;" (2) "The Musical Material of the Crimean Songs."

Furthermore, discussions were held on a number of questions of importance in pedagogical method. The results of these discussions are deserving of attention. The problems considered in these discussions were the following: (1) Methods of harmonizing popular songs, (2) The *mise-en-*

scene of Russian marriage customs, (3) The musical character of the "domra" and the "balalaika." A great number of reviews of musical-ethnographical investigations and manuals is also to be mentioned. The publishing activity of the Section was in connection with the preparation and printing of the following works: "Songs of the Province of Kaluga," "Fifty Tatar Songs," "Songs of the Crimea and the East."

The work of the Sections and Committees is carried on in the National Institute for Musical Science with the cooperation of the following auxiliary scientific institutions: The Acoustic Laboratory, the Psychological Laboratory, the Laboratory for Key-board and Automatic Musical Instruments, Laboratory for String Instruments and Folk Instruments, and the Laboratory for Radio Stations.

The Institute has also organized courses of instruction in singing and ethnography. The program of the latter includes folk songs of the entire world.

Museum of the Moscow Art Theatre

In the near future the Museum of the Moscow Art Theatre will be opened, the purpose of which will be to present material from the history of this theatre. The Museum will have a collection of materials connected with the history of the Moscow Art Theatre from the moment of its inception (the Alexeyev Group, the Art and Literature Society, the Philharmonic Society, etc.). There will be great numbers of sketches, photographs, and also a portion of the archives as far as they relate to *Mise-en-scene*, stage managing and authors' copies, posters of the first productions, etc. In the organization of this section of the Museum an effort has been made to enable the spectator to grasp as a single whole the work of all the producers of the spectacle, the stage manager, the artist, the actor, thus simultaneously creating an understanding of the system of work followed in the performances of the Moscow Art Theatre, as a whole.

In order to enable large sections of the public to become acquainted with the Moscow Art Theatre and its history, the Museum is arranging to give exhibitions.

International Exhibition of Decorative Arts in Paris in 1925

The Exposition of Decorative Arts will be opened in Paris toward the end of April of this year and will continue through October. All the great nations of the world will take part in this Exposition. In order to coordinate the work of the various institutions in the Soviet Union participating in the exposition, and furthermore, in order to elaborate a general plan, a council is being organized under the chairmanship of Mrs. O. D. Kameneva. All the work in communicating with France will be conducted through the Foreign Aid Commission connected with the Central Executive

Committee of the U. S. S. R. France, which was extremely interested in Soviet art, even before its official recognition of the Soviet Union, approached various representatives of the Soviet Government in Paris with the proposition to begin work on the organization of a special building for the U. S. S. R. The U. S. S. R. Pavilion will occupy a space in the Exposition which is considerably larger than the space allotted to the pavilions of other countries.

The Exposition Committee has set itself the task of presenting in the Exposition the decorative arts and the art industries of the U. S. S. R., in their most characteristic products, expressing the life and the new creative activities of the Soviet Republics. The following categories of exhibits are contemplated: (1) National and social art; these include the following: city planning, workers' habitations, public buildings, reading cabins, club houses, monuments, and finally the theatre. (2) Objects of every day life and the interior decoration of houses. Among these will be exhibited: decorative paintings and sculptures, art furniture, tapestry, rugs, leather work, textiles, embroideries, garments, carved and painted wood, lacquers, etc. This class of exhibits is to give a good idea of the wealth of the Soviet domestic art industries. (3) The world of the child: Soviet toys, artistic school equipment. (4) Ceramic and metal arts: porcelain, metal work, pottery. (5) Graphic arts: the book, the poster, the illustration, the engraving, the reproduction, etc. This Exposition will thus give the Soviet Union an opportunity to show the work of almost all the industries of the U. S. S. R. that are in any way connected with art. No "freaks" or individual creations in any form will be exhibited at this Exposition: the participation of music and the theatre is as yet not contemplated, as the transportation of theatrical troupes or orchestras to Paris would involve too great difficulties.

Besides the moral significance involved in an exhibition of Soviet attainments in art industry and their presentation in a great world center, the Exposition will also be of great material importance in that it will afford the Soviet Union an opportunity to conquer new markets for its art industries.

Soviet Participation in Paris Theatrical Exposition

The art circles and press of Paris are displaying the keenest interest in the forthcoming representation of the Soviet Union at the Paris exposition, where the various nations will give exhibitions of their theatrical and musical achievements.

A special new theater has been built for the purpose with a seating capacity of 800 from plans designed by the well known architect Perret in accordance with the latest technical attainments. Each country will be allotted one week for its artistic exhibits in this structure during the season extending from April to October 1925.

Professor Kogan has arrived in Paris to act as Chairman of the Soviet division, and Lunacharsky, People's Commissar for Education, is to follow in the near future. The Central Bureau of Scientific Institutions has already arranged the Soviet program, which will include Soviet motion pictures in addition to dramatic and musical performances.

In this connection it is interesting to note that the Society of Russian Artists residing in Paris has voted to offer its collaboration to the Soviet Government, although a small minority of the membership was opposed to the proposal and withdrew from the organization as a result of its adoption.

Exposition of Soviet Caricatures in Paris

The Soviet Government has received an invitation from the French group of artists, "The Spider," to arrange for an exhibition of Soviet caricatures in Paris. The Russian Academy of Fine Arts has elected a Commission for the purpose of organizing this exhibition, consisting of Tugendhold, Sidorov, and Ettinger.

Monument at Saratov to the Heroes of the Revolution

At Saratov, on the site of the struggles between the revolutionary workers and the Cossacks, a monument is to be erected to the memory of the heroes of the Revolution, upon the initiative of the workers. The monument will present the history of the revolutionary movement in the course of the last twenty years. The following four episodes are depicted in the sculptured bas-reliefs: (1) The Year 1905: the Bloody Struggles Between Workers and Cossacks; (2) November, 1917: At Smolny; (3) The Year 1924: The Epoch of Revolutionary Construction; and (4) The International Labor Movement. The pedestal of the monument is surmounted by the figure of a worker, the victor in the November Revolution and the true creator of the new life. On the west side of the monument there will be a large portrait in bas-relief of V. I. Lenin.

The total height of the monument is to be 15 arshins; that of the figure of the worker, 6 arshins. The monument is to be constructed of grey and black granite.

The following are the fundamental ideas underlying the construction of this monument. The pedestal is not only to be a support to the figure standing upon it as was formerly the case, but is to have an independent significance of its own, constituting as it were a living symphony in stone. The unity of the monument is brought about chiefly by this common rhythm in both pedestal and figure.

According to the idea of the designer of the monument, Korolyev, his work should not only be a decorative embellishment of the square, but also a cultural factor serving to intensify the consciousness of the masses.

Civil Code of Soviet Russia

Our readers will find the Civil Code of Soviet Russia reprinted in the first two volumes of the RUSSIAN REVIEW. We are printing now the appendices to the Code.

First Appendix Applying to Article 12

Extract from the decree of the Council of People's Commissars—issued on June 17, 1918—regarding the right to receive maintenance out of the property of persons declared missing, and regarding the legal pronouncement of lost persons as dead.

2. Besides cases of unaccountable absence, legal recognition of a person as missing occurs also in the event of the loss of a person in war or under circumstances compelling the inference of death from a definite accident.

3. The pronouncement that a person is missing is to be issued by the local people's court of the place of the last sojourn of the missing person.

5. In addition to the individuals possessing the right to maintenance from the property of the missing person, the creditors of the absent person and representatives of the State authorities may petition for the legal pronouncement of a person as missing.

6. Upon recognizing the petitioner's application as trustworthy, the court makes inquiries of related persons likely to have knowledge of the absent person's whereabouts and of official persons concerning his domicile, and then posts on its premises a notice of his summons; a similar notice for the same purpose is transmitted by the court to the Bureau for Records of Personal Status and the departments of social insurance within the court's locality, in the last dwelling place of the absent person, in his birthplace and in his former place of registration.

Note—Interested persons are accorded the right to insert the notice in question in the organs of the periodic press carrying advertisements, after entering with them into a suitable agreement for this purpose.

7. The publication must contain: (1) the designation of the given name, patronymic, family name and the occupational character of the person for whose declaration as missing a petition has been filed; (2) a request to the absent person to present himself in the court or communicate regarding his staying place; and (3) an invitation to all to whom information has come concerning the whereabouts or death of the absent individual, to advise the people's court thereof.

9. If in the course of a month from date of the exhibition of the notices no trustworthy information is received in the court regarding the location or death of the person for whose pronouncement

as missing an application has been filed, the court appoints a public hearing for examination, summoning the applicant and the witnesses to whom reference is made in the application, and also such persons as the court finds it necessary to interrogate, and pronounces a decision concerning the declaration of the person as missing.

10. Upon arriving at a decision covering the recognition of the person as unaccountably missing, the court makes announcement thereof in the manner indicated in Art. 6 of the present decree.

11. The court immediately sends advices of the effected decision to that Bureau for Records of Personal Status in which information regarding the person declared missing is concentrated.

Note—If the court is unaware in which local department the person pronounced missing was registered, and likewise if the said person was registered in any institution of a locality not at present constituting part of the Russian Republic, the court communicates the consummated decision to the Bureau for Records of Personal Status of the last residing place of the individual declared missing.

12. Promptly upon publication of the present decree the departments for recording marriages and births set up books for registering persons pronounced missing by the courts.

13. The entries must be made in the book immediately upon receipt of the court's communication regarding the effected recognition of a person as unaccountably missing or lost.

14. The personal status record books are open to all interested persons who have the right to obtain certified copies from them.

15. Promptly, and in any case not later than two days after completing the entry, the Bureau for Records of Personal Status is to report each instance of the pronouncement of a person as missing to the district, regional or municipal Soviet of Workers' and Peasants' Deputies in the last dwelling place of the individual declared missing.

Note—In those localities where Bureaus for Records of Personal Status have not yet been organized the duty of the communications indicated in the present article devolves upon the court laying down the decision for the recognition of the person as missing.

16. Upon receipt of the advice mentioned in Article 15, the District, Regional or Municipal Soviet of Workers' and Peasants' Deputies proceeds to effect an inventory and to take under its protection the property of the person pronounced missing, and also to transfer the care of this property over to the institutions managing similar properties of the Russian Republic in the given localities.

Note—In those places where notarial departments exist in connection with the Soviets of Workers' and Peasants' Deputies the inventory and protection of the property of the person unaccountably missing are entrusted to these de-

partments, which invite the cooperation of the local judicial executives in this work.

19. If, after the course of a two-year term from the date the declaration of the pronouncement of the person as missing is posted in the court, the lost person does not return and does not send any advices as to his whereabouts, the interested parties and institutions have the right to bring up before the court the question of pronouncing the missing person dead.

Note—If the court's decision to declare the person missing has ensued in consequence of an inference as to the loss of his life under circumstances inspiring certitude of death in a specific accident, the term indicated in the present article is curtailed to six months from the date that the pronouncement of the person as unaccountably missing is posted in court.

20. To hand down a decision for the declaration of a person as dead, the court makes inquiries for the second time of all places and persons likely to supply information as to the whereabouts of the lost individual and again posts notices and transmits them for exhibition in accordance with Article 6 and in the form prescribed in Article 7 of the present decree.

21. If in the course of a month from the date of posting the notice in the court no positive advices are received of the whereabouts or death of the person for whose declaration as deceased a petition has been filed, the court appoints a public hearing to look into the matter, summoning the petitioner and the witnesses to whom reference is made in the application and also persons whom the court finds it necessary to interrogate, and hands down a decision regarding the recognition of the person as dead.

22. Upon arriving at a decision to declare the person dead, the court again posts notices in the same manner and simultaneously summons the persons possessing the right to receive maintenance, and the creditors.

23. The court's decision to pronounce the person dead is to be immediately communicated to the Bureau mentioned in Article 11, in order to be entered into the book of death certificates with a notation to the effect that the information in question is entered in consequence of a court decision recognizing the individual as dead, together with an indication of the title of the court, the number of the decision and the date when the decision took effect.

24. The day on which the court's decision went into effect legally is considered as the date of the death of the person declared deceased by the court.

26. A person who has been declared dead and returns after the legal pronouncement of his death, is entitled to recover, regardless of the date of his reappearance, all the property remaining, except in cases where his non-appearance is pronounced inexcusable by the court.

Miscellaneous News

Seventh Anniversary of the Red Army

On February 23 great celebrations took place in Moscow on occasion of the seventh anniversary of the Red Army. A parade held by the troops of the Moscow garrison on the Red Square was reviewed by Michael Frunze, People's Commissar for Army and Navy, the Red Cavalry Commander Budionny and others; many members of the diplomatic corps were present. At a meeting held in the evening in the Grand Theatre the speakers dwelled upon the close ties uniting the Red Army with the popular masses of the country which are a guaranty that any attacks contemplated against the Soviet Union by its enemies would meet with the same resistance as at the time of civil war and intervention. The great cultural influence of the Red Army in the struggle for the elimination of illiteracy was also emphasized.

International Motor Trial in the U. S. S. R.

American and European automobile manufacturers are invited to take part in a thirty-day International Motor Trial to be held in the U.S.S.R. in midsummer, the trial to include a competitive run from Leningrad on the Baltic to Kutais on the Black Sea, and return to Moscow, in all 3,300 miles. The trial will be held under the joint auspices of the Automobile Department of the Soviet Board of Road Transport and the Automobile Club of Moscow.

Motor cars, trucks and motorcycles will be included in the various tests, which are designed to awaken among the general population and local authorities a greater interest in the possibilities of motor transport. In the course of the run demonstrations will be held in twenty cities and at other central points. It is estimated that several million people will observe the cars during the tests. An International Motor Trial on a less ambitious scale was organized in Russia in 1923. About forty makes of cars were represented.

The Amtorg Trading Corporation

The Amtorg Trading Corporation, one of the principal agencies of American-Soviet trade, with offices at 165 Broadway, New York, makes public the details of its purchases and sales here for Russian account during the eight months ending December 31st. During this period Amtorg sold in the United States goods imported from the Soviet Union to the value of \$3,775,528.29 and purchased here for export to the U. S. S. R. goods to the value of \$9,469,634.78. The sales represent over one-half of the American importations from the Soviet Union during the period; the purchases represent over a fourth of American exports to the Soviet Union.

The itemized table of the operations of the Amtorg Trading Corporation during the eight-months period follows:

Sales of imports from the U. S. S. R. in the United States:

Articles	Value
Furs	\$3,701,928.64
Pine Oil	872.89
Caviar	18,868.10
Cement	145.00
Sheep Skins	6,880.37
Sheep Cases	16,363.35
Goose Feathers	898.73
Bristles	25,346.82
Laces	50.55
Art Goods	4,169.97
Tobacco	3.87
Total	\$3,775,528.29

Purchases of American goods for exportation to the U. S. S. R.:

Articles	Value
Drugs and Chemicals.....	\$ 283,404.42
Metals	139,779.35
Rosin	254,367.41
Machinery and Parts (General)....	1,227,010.35
Agricultural Machinery and Parts...	1,559,563.37
Oil-Well Supplies	678,871.10
Autos, Motorcycles and Accessories..	238,444.32
Railroad Supplies	2,999.00
Typewriters and Office Equipment...	236,254.70
Leather and Belting	122,986.01
Flour	2,664,000.00
Cotton	2,000,000.00
Miscellaneous	61,963.75
Total	\$9,470,753.78

Gold Coinage

The Soviet Union will soon begin a new gold coinage according to a report of the Director of the Currency Administration. The new coins will be based on the standard of the chervonetz, which has a par value of \$5.146 and has recently been quoted at \$5.16 on the European exchanges. It is planned to coin the entire gold reserve of the State Bank into the new currency.

Agriculture in Armenia

The area under cultivation in Armenia has increased from 180,000 dessiatins in 1923 to 249,000 dessiatins in 1924.

There was an important increase in the area under cotton, viz:

	Area under Cotton Dessiatins	Gross yield Poods
1923	4,500	200,000
1924	15,000	640,000

Two million poods of grapes were harvested in 1924.

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The Press in the U. S. S. R.

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General Policy of the Soviet Government

EARLY in March the Third Session of the Central Executive Committee of the Union of S. S. R. was held in Tiflis, the capital of the Transcaucasian Soviet Federation. On March 6 this body, representing all the constituent parts of the Soviet Union, adopted the following resolution approving the activities of the Federal Soviet Government during the foregoing period and outlining its general future policy:

1. The Third Session of the Central Executive Committee of the Union of S. S. R., convened at Tiflis, one of the Capitals of the Union, having heard and considered the report by Mr. Rykov, President of the Council of People's Commissars of the Union of S. S. R., on the Government's activities wholly approves both the domestic and the foreign policy of the Government of the Soviet Union.

We extend a cordial greeting to the workers and peasants of Transcaucasia, steadfastly laboring for the solution of the same great problems which confront the entire Union of S. S. R.

2. The Third Session of the Union of S. S. R. notes with satisfaction that the bourgeois governments surrounding us, the only Confederation of toiling people in the world, on all sides, are one after another coming to the conviction that their refusal of regular relations with us severely harms their own interests. This conviction is reflected in the extending line of recognition accorded to the Soviet Government, the only legitimate government on the territory of the Union of S. S. R.

But the Central Executive Committee of the Union of S. S. R. does not shut its eyes to the fact that the restoration of normal political and commercial relations with our Union, by setting new tasks before the Government of the Union of S.S.R., compels it to watch out vigilantly lest more peaceful forms of intermeddling in the internal affairs of the Union succeed the liquidated interventions.

The Central Executive Committee of the Union of S. S. R. considers that the resumption of normal diplomatic and commercial relations by the bourgeois governments with the Union of S. S. R. is an indispensable prerequisite to the strengthening of peace relations and the development of economic collaboration between the various countries and to the solution of disputed questions on a mutually satisfactory basis.

In virtue thereof the Third Session of the Central Executive Committee of the Union of S. S. R. approves the Government's steps for the conduct of negotiations and the establishment of diplo-

matic and commercial relations with the governments which have not yet concluded agreements with the Soviet Government.

The Central Executive Committee of the Union of S. S. R., while recognizing that the maintenance of peace is one of the conditions necessary to the further development of the national economic life of the Union of S. S. R., and approving the measures for the reduction of the numerical strength of the Red Army, as well as all of the Government's steps toward the reduction of armaments on an international scale, at the same time sees in the conservation of the Red Army's power the indispensable means of guaranteeing the safety of the State under the given conditions.

3. The Third Session of the Central Executive Committee of the Union of S. S. R. observes with profound gratification that, despite the systematic deceptions on the part of the oppressors, the eyes of the oppressed throughout the world are being opened to the true foundations of the domestic and international policy of our Union, proceeding from the unconditional recognition of the right of each nationality to complete national self-determination. This fact finds a clear expression in the progressive growth of the influence of the Union of S. S. R. in the East, which sees ever more clearly what a gulf separates our policy of brotherly relations with the toilers from the policy of colonial oppression.

4. With reference to the Soviet Government's domestic policy, the Third Session of the Central Executive Committee of the Union of S. S. R. first of all expresses its approbation of the timely adoption of necessary measures for the relief of the population in the districts afflicted with crop failure in 1924. The Central Executive Committee of the Union of S. S. R. observes with satisfaction that the general improvement of the whole Union's economic situation rendered it possible for the Government to cope fully with the consequences of the crop failure this year and to avert a diminution of the cultivated area in the bad crop regions without having recourse to any external assistance.

5. Taking into account the fact that at the present time it is still impossible to ascertain the general condition of the winter sowings and that the character of the spring may yet change it considerably in one direction or the other, the Third Session of the Central Executive Committee of the Union of S. S. R. recognizes as correct and timely the Government's decision to proceed with the formation of reserve funds for resowing winter

crops in those localities where this may appear necessary.

6. Recognizing that the uninterrupted extension of the sown area year after year, not suspended even in the localities suffering from crop failure, and the steady increase of life-stock raising bear witness to the correctness of the general course pursued by the Government in the sphere of the agricultural policy, the Third Session of the Central Executive Committee of the Union of S. S. R. approves the measures placed on the order of the day by the Government in the matter of agricultural reconstruction: the struggle against poorly cleaned seed, the distribution of drought-withstanding and improved seeds, the transition to multiple crop rotation, the introduction of other crops, the supplying of the peasant farms with modern agricultural implements, machines and tractors, the organization of renting stations, etc.

7. Establishing with satisfaction the fact that both heavy and light industry have taken an extraordinary step forward in their development during the past year, the Third Session of the Central Executive Committee of the Union of S. S. R. regards these attainments as still quite inadequate to meet the demands of the domestic market, now rapidly expanding in connection with the fact that the peasantry has begun to recuperate from the effects of the imperialist and civil wars.

In the fact that during the forthcoming year it is expected that industry and transportation as a whole will be run almost without a deficit the Central Executive Committee of the Union of S.S.R. beholds the best attestation to the success of the progress of the Union of S. S. R. along the road to the establishment of a socialist commonwealth.

8. The Third Session of the Central Executive Committee of the Union of S. S. R. recognizes as one of the most important tasks in the realm of industry and transportation the rebuilding of their basic capital on principles that may serve as the technical foundation for the socialist society under construction.

From this point of view the Third Session of the Central Executive Committee of the Union of S.S.R. welcomes the approaching completion of the "Volkhovstroy" power station and a number of regional electric power stations, the examination of a general plan of electrical construction begun by the State Planning Commission, the projected series of new major constructions and other measures for the complete reequipment of industry and transport, and considers that without this sort of measures the elevation of labor productivity in industry, transportation and agriculture will be realized only within comparatively narrow limits.

9. The Third Session of the Central Executive Committee of the Union of S. S. R. recognizes that

one of the greatest achievements of the expired year is the execution of the monetary reform, effected out of the country's own resources after the utmost economic disorganization. The introduction of a stable currency gives evidence of the Union's success in the sphere of economic recovery, and simultaneously renders possible for the first time the healthy growth of agriculture, as well as of industry, transportation and trade.

10. This healthy growth has already found a clear, convincing expression in the complete discontinuance of paper money issues to cover deficits, which had laid a heavy burden on the peasantry, and in the rapid approach from tentative budget estimates to firm estimates of revenues and expenditures in conjunction with a steady excess of the actual income over the budget estimates during the past months.

11. Recognizing that only the development and expansion of the peasant market can serve as the basis for the further development of industry and transport, the Third Session of the Central Executive Committee of the Union of S. S. R. considers it indispensable to proceed in all measures concerning industry and transportation with a regard for the development of peasant economy and of its capacity to produce for the market.

12. Among the measures leading to the economic rehabilitation of the poor and middle peasants, the Third Session of the Central Executive Committee of the Union of S. S. R. puts forward in first place the various forms of agricultural co-operative activity and the development of the system of agricultural credits.

13. Beholding in the development of peasant economy the basic conditions for further progress in socialist construction, the Third Session of the Central Executive Committee of the Union of S.S.R. recognizes the urgent necessity of assisting the economic growth of the toiling peasantry in every possible way and of paying the utmost attention to its needs and demands.

14. Recognizing that the laboring peasantry with proper treatment by the local authorities should in its entire mass become a still firmer support of the Soviet Government, the Third Session of the Central Executive Committee of the Union of S. S. R. proposes to the local organs of authority that they see to it that the toiling, enlightened, economically advancing peasant be not confused with the rich exploiting peasant ("kulak").

15. With the aim of strengthening the close, direct connection with the broad masses of workers and peasants, the Third Session of the Central Executive Committee of the Union of S.S.R. recognizes as absolutely essential the widest participation in the work of the Soviets by the largest possible number of active non-partisan workers and peasants, as assuring the further progress of socialist reorganization.

Three Years of State Insurance

ON OCTOBER 6, 1921 the Soviet Government issued its first decree after the introduction of the New Economic Policy, on the reestablishment of the State insurance system, which had been abolished one year before. Insurance operations were begun in Moscow in January 1922, and considerably later in other places for the most part. The insurance organization in its present form—which is that of a State enterprise, operating on a self-supporting basis—has been in existence since March 15, 1922, when the Board of Management of the State Insurance Administration was established and went to work.

Is it possible now to make general conclusions with regard to the results of the three years' activity? Insurance in money is an operation of exclusively financial character. The insurance institution receives money (the insurance premium) from the insured and pays out money (the insurance indemnity) to them in case of loss through the action of outside forces. Values in kind do not enter into the insurance turnover, although the objects insured are for the most part in kind (buildings, commodities, plants, cattle, crops, etc.). It is therefore clear that the basic element of money insurance, namely, the currency, as well as the firmness of the latter, here probably play a more decisive part than in other fields. Only since the introduction of the Chervonets into circulation, followed by the Treasury notes and silver coins has insurance proceeded along a normal path of development.

Therefore the activity of the State Insurance Administration in 1922 was necessarily limited to the internal organization of the business, to a preparation of a mechanism adapted to the work. The operations of the year 1922 must be considered as the first unsure steps—in some cases false steps—as a period of transition, indicating only the path to be followed by the future solid roadbed. Thus it is possible at present to contemplate only two years of work under normal conditions in the matter of an insurance of industry and trade, and altogether only one year of such work in obligatory insurance in villages and cities.

The operations of voluntary insurance are concerned almost exclusively with the field of industry and trade. Factories, plants, stores of goods, are insured against fire; while goods are also insured against transportation dangers.

The volume and development of the business may be judged from the following comparative data. For the entire fiscal year 1922-23 there were insured, by voluntary insurance (State enterprises working on a business basis, and private enterprises) and by compulsory insurance (embracing State-owned enterprises given over as private lease-holds), 10,708 factories and plants,

with a total insurance amount for fire (the insurance sum) of 137,974,000 gold rubles, for which the State Insurance Administration received 1,675,558 gold rubles as insurance premiums. For six months of the fiscal year 1923-24, the State Insurance Administration insured 4,420 factories and plants for the sum of 275,211,000 gold rubles, receiving premiums in the amount of 1,515,413 gold rubles. This comparison reveals the astonishing growth in the amount insured. Consequently, the great industrial combinations have begun to resort to insurance on a larger scale. In the Russian insurance companies before the Revolution (in 1914), industrial enterprises were insured in the amount of 1,899,454,000 gold rubles, for which these companies received from the manufacturers premiums to the amount of 16,756,542 gold rubles. When it is considered that to make a proper comparison between the figures for 1922-23 and for those of 1923-24, on the one hand, with the pre-war figures, it is necessary, in the first place, to undertake certain index corrections (increased cost of machinery and materials) and in the second place, corrections necessitated by the inactivity and deterioration of the enterprises, it becomes evident that the Soviet industry has been covered by insurance to a very slight extent.

The insurance of trade (commodities) is covered by the State Insurance Administration to a greater extent, although a comparison of the merchandise insurance with the pre-war figures is rendered very difficult for various reasons.

The operations of compulsory insurance include peasant farms and houses in cities owned by private persons. The compulsory insurance of peasant structures existed before the Revolution for more than fifty years in those provinces in which the "Zemstvos"—local bodies with limited self-governing functions—were in existence. The peasant is accustomed to such insurance and therefore the State Insurance Administration was enabled to proceed rather rapidly with the organization of this branch, in spite of the fact that it was necessary here to prepare a large and widely ramified mechanism. The State Insurance Administration advanced further than the Zemstvos, and accomplished that which the Zemstvos failed to accomplish in many decades, partly by reason of the opposition of the Government, partly by reason of the difficulty of the task—namely, in introducing obligatory insurance of crops against hail, and of cattle against plague. The campaign of the year 1923-24 laid a firm foundation for the work of the State Insurance Administration in the villages, and also emphatically changed the attitude of the peasantry toward State insurance.

From October 1, 1923, to September 30, 1924, the State Insurance Administration paid out in-

insurance amounts to not less than 600,000 peasant farms after conflagrations, hail storms, and cattle plagues. Hail storms alone destroyed more than 1,000,000 dessyatins of crops in 1924. To judge by the data at hand, as yet far from complete, the State Insurance Administration paid out to the peasantry during the year somewhere between 16,000,000 and 17,000,000 gold rubles. During the year 1924-25 the State Insurance Administration again decreased its premium rates by from 30 to 50 per cent, and raised the amount of insurance (for example, on farm yard structures, on the average, to 150 gold rubles per farm). The Government ordered for 1924-25 the introduction of universal obligatory insurance against fire and considered it desirable to extend this obligation to the insurance of crops and live stock, having left the solution of this question to the district congresses of Soviets.

When it entered upon its work in 1922, the State Insurance Administration was still working in the dark. The "experienced" insurance eye considered the actual conditions as to fire dangers and dangers en route as constituting a risk amounting to several times the risk in pre-revolutionary years, owing to the economic disorganization. And no one could deny the deterioration and the complete destruction of the fire-fighting apparatus, the dissolution of the fire companies, the existence of numerous new inflammable structures in the factories, as well as iron stoves in the apartments of the towns, the delapidation of the water supply system, etc.

However, somewhat over two years of work on the part of the State Insurance Administration have revealed the fact that the "experienced eye" was mistaken. There is no doubt of the general lack of repair, and in many cases it has not been possible as yet to rehabilitate the material conditions to the pre-war level. And yet the fire risk has been lowered as compared with that before the war. This is a fact of great importance for Russia's national economy and has been ascertained beyond dispute in the practice of State insurance, by the statistical figures on fire insurance. The material conditions have increased the fire risk, but actually the fire risk has been diminished.

This apparent paradox can be explained only by a raising of the level of civilization. Before the Revolution, a full third of the instances of conflagration resulted in accusations of incendiarism. Now, the worker in a government enterprise is very careful in the way he handles fire and will not permit an official who has become involved in questionable transactions to conceal the consequences of his malversation by burning down the stores of goods. The case in the villages is similar. To be sure, insurance statistics still display instances of such savagery—malicious incendiarism—but the decrease of consumption of alcoholic liquors and the raising of the general level of civilization after the Revolution are found ex-

pressed in the fact that the State Insurance Administration has lowered the fire premium rate for the villages in its insurance schedule for 1924-25 by 26 per cent as compared with the premium rate for the five-year period 1910-14. In the case of the cities, the State Insurance Administration has lowered this premium rate by 40 per cent; in the case of factories and works it is proposed to lower the rate 25 per cent. The German insurance schedules before the Revolution were several times lower than the Russian. Now a contrary tendency may be observed.

It is worth while to point out the success that has begun to be met with in the course of the last few months by the State Insurance Administration in its life insurance operations, a success which was not expected by many persons. These operations have not yet covered the entire U. S. S. R.; the villages are as yet untouched; but already more than 18,000 applications for insurance have been filed; over 95 per cent of these are from workers and clerks. This also is an indication of the new cultural demands among the working masses of the Soviet Union.

Before the Revolution the workers hardly ever were insured; life insurance in Russian companies was applied for almost exclusively by the middle classes, the merchants, the bourgeoisie, the professional men; members of the nobility and of the higher strata of the capitalist class had their lives insured abroad. The development of this insurance in the U. S. S. R. is a desirable complement to the existing social welfare insurance.

The apparatus of the State Insurance Administration consists of a Board of Directors, eight regional offices and managements in the constituent republics, 71 provincial* offices, more than 3,000 district and village agents, with cash on hand amounting to 35,000,000 gold rubles, and with an experience of three years of work. Of course, the State Insurance Administration is still far from having solved its problems, from having become a great insurance fund for all possible cases of economic and personal mishap. But the progress made in that short time augurs well for the future.

*In this number are also included territorial subdivisions (autonomous areas, etc.) whose importance is equivalent to that of provinces.

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5. The Patent Law of the U. S. S. R.—15c.

Ore Mining in the Soviet Union

DURING the past fiscal year 1923-24, the ores mined on the territory of the U. S. S. R. included iron ores, manganese and copper ore, and also asbestos, magnesite, chrome iron ore, and lead-zinc ore.

The most important of the ores mined, both with regard to the total obtained, as well as with regard to their importance for the economic life of the country, were the iron ores. The chief regions in which they were mined were Krivoy Rog and the

Urals, while comparatively small quantities were obtained in the Central Region, and also in the Far Eastern Region.

Iron Ores

The table given below contains preliminary data concerning the winning of iron ores in this region for 1923-24, and also, for purposes of comparison, the corresponding figures for the fiscal year 1922-23 and for 1913:

Regions	1923-24 Poods	1922-23 Poods	1913 Poods
<i>Krivoy Rog</i>			
Southern Ore Trust.....	25,800,000	10,340,000	387,800,000
<i>Urals</i>			
Nadezhdinsk Combine.....	8,600,000	3,850,000	} 109,900,000
Middle Ural Combine.....	4,300,000	930,000	
"Gormet" Combine.....	2,800,000	2,380,000	
Perm Combine.....	1,100,000	540,000	
Southern Ural Combine.....	7,800,000	4,060,000	
Total Urals.....	24,600,000	11,760,000	109,900,000
<i>Central Area</i>			
Northern Viatka.....	600,000	} 2,580,000	32,140,000
Prionsk.....	1,400,000		
Total for Central Region.....	2,000,000	2,580,000	32,140,000
<i>Far Eastern Region</i>			
Balyaginsk Region	400,000	—	—
<i>Other Regions</i>	—	—	32,690,000
Total for U. S. S. R.....	52,800,000	24,800,000	562,530,000

Thus the total quantity of iron ore obtained in the year 1923-24 amounts to about ten per cent of the yield in 1913 (excluding Poland and Finland) but it should be noted that not all the districts in which iron was obtained before the war are now at work. Of the 49 mines in the Krivoy Rog Region only four of the largest mines were working during the past year; likewise, in the Urals, only the largest and most favorably situated mines were worked; the Kerchensky Region was not working in 1923-24 at all.

If the productivity for the two past years of operation is compared, it appears that the increase of production in 1923-24, as expressed in percentages of the production in 1922-23, may be stated in these figures: Krivoy Rog—250 per cent, Urals—209 per cent, the entire U. S. S. R.—215 per cent.

The iron ore extracted by the Urals iron ore enterprises was smelted in their own works, while that extracted by the Southern Ore Trust was shipped to the works of the Southern Steel Trust and the Kramatorsky Works. The quantities of ore forwarded from the various regions in 1923-24 are shown by following (preliminary) figures:

	<i>Ore forwarded from the various regions</i>	
	1923-24 Thousands of Poods	1922-23 Thousands of Poods
<i>Krivoy Rog</i>		
Southern Ore Trust.....	31,280	13,100
<i>Central Area</i>	1,260	1,980
<i>Urals</i>		
Nadezhdinsk Combine.....	7,230	4,500
Middle Urals Combine.....	5,360	3,480
"Gormet" Combine.....	2,760	1,750
Perm Combine.....	580	620
Southern Urals Combine.....	6,030	5,400
Total for Urals.....	21,960	15,750
Total for U. S. S. R.....	54,500	30,830

Thus the quantities of ore forwarded from the three chief regions amounted in 1923-24 to 177 per cent of the corresponding quantities in 1922-23.

During the past year, the Southern Ore Trust, in accordance with an order from the Presidium of the Supreme Council of National Economy liquidated 32 of the smaller mines and in this manner considerably decreased its expenses for the maintenance of inactive mines. Of the number re-

maining, the operation of three further mines was started in the course of 1923-24, and at the end of the fiscal year 1923-24 only eleven mines remained in reserve.

Prospects for 1924-25

On the basis of the supplies on hand, and of the ore requirements of the factories, it is proposed to mine iron ore in the quantities indicated below, two different quantities being assigned to Krivoy Rog, according to the volume of possible exports:

Krivoy Rog

Southern Ore Trust

53,000,000, or 70,000,000 poods, i.e.
200 per cent or 270 per cent of
the yield for 1923-24

Urals

	Poods
Nadezhdinsk Trust.....	10,300,000
Urals Iron Ore Trust.....	10,450,000
"Gormet"	4,300,000
Alapayevsk Region.....	4,200,000
Southern Urals.....	15,000,000

Total for Urals..... 44,250,000
Total for U. S. S. R.*..... 97,250,000
poods, or 114,250,000 poods
(184 per cent or 216 per cent of the
yield for 1923-24)

The production costs of iron ore proposed in the schedules for 1924-25 are 9.25 kopeks per pood for the Southern Ore Trust, including forwarding expenses, and 6.5 kopeks per pood for the entire Ural Region on the average.

The total production for 1922-23, 1923-24, and the schedules for 1924-25 present a picture of the remarkable growth of the iron ore industry, and consequently of the Russian metallurgical industry as a whole.

Manganese Ores

The next place after iron ores, in volume of production in the U. R. R. S., belongs to the manganese ores, which are mined in two regions: Chiaturi and Nikopol.

In the course of 1923-24 manganese ore was mined in these two regions in the following quantities (for purposes of comparison the data for 1922-23, as well as the pre-war data, are also given):

	1923-24	1922-23	1913
	Poods	Poods	Poods
Chiaturi†.....	17,400,000	9,200,000	59,190,000
Nikopol	6,000,000	3,996,000	15,390,000
Total	23,400,000	13,196,000	74,580,000

The total yield of manganese ore throughout the U. S. S. R. in 1923-24 amounted to 177 per cent of the yield in 1922-23 and to 31.4 per cent of the

*Not counting the regions of secondary importance.

†For Chiaturi, the 1923-24 figures are based on the results for half of the year only.

pre-war yield. At Nikopol the work of extracting ore is being conducted by the Southern Ore Trust, and at Chiaturi by numerous lessees from among those who formerly operated manganese industries on a small scale, who were granted the right, by a special decree of the Council of People's Commissars of Georgia (July 20, 1922), to operate their former mines under leases and on conditions fixed by the decree. But at the same time the Government of Georgia has undertaken steps to organize the manganese industry with Government funds; thus beginning with August 1923, government ore operations began in the mines of the former "Caucasian Manganese Co.," and it was proposed in the near future to begin such operation in other units also.

The manganese ore mined in 1923-24 was all for export abroad. The domestic market demanded but little of it, because the southern plants had sufficient supplies of ore for their own requirements.

In the Nikopol Region the average number of workers employed for the year was 1,630; the annual productivity was 3,750 poods of ore as compared with 10,000 poods before the war, in other words, 37.5 per cent. At Chiaturi the average number of workers was 1,300, while the productivity for the year was about 13,000 poods per man. This striking difference is explained by the fact that the deposits of the Chiaturi Region are presenting many advantages for extraction as compared with the deposits at Nikopol.

The production cost f. o. b. mine of manganese ore, based on data for half a year for Nikopol and for the entire calendar year 1923 for Chiaturi, amounted to the following (in kopeks per pood):

	Wages	Mate- rials	Fuel	Other Concen- Expenses trating	Total
Nikopol ..	5.20	2.96	0.44	3.16 6.27	18.03
Chiaturi ..	3.98	2.79	—	5.35 10.17	22.29

However, certain corrections will have to be made in these figures. The Nikopol ore of the third grade does not find any sale and, if its price is provisionally estimated at 7.3 kopeks, the production cost of ore (that can be sold) in the Nikopol Region will rise to 26.21 kopeks per pood f. o. b. mine. On the other hand at Chiaturi one-third of the ore is sold in the raw state and only two-thirds washed, with the result that the average production cost for all the ore forwarded is lowered to 18.90 kopeks per pood f.o.b. Chiaturi.

The prices for manganese ore in the foreign market in 1923-24 were very high, rising to as much as 24 pence or two shillings per one per cent of manganese metal in each ton of ore delivered at London. Although the freight charges were very high, rising in 1923 to 17 shillings per ton, the above-mentioned high sales prices nevertheless made it possible to export manganese ore with a profit. The price on manganese ore f. o. b. Poti,

with an average manganese content of 50 per cent, reached as high as 2x50—17—83 shillings per ton, or (at the rate of 8 gold rubles 70 kopeks per pound sterling) to 60 kopeks per pood f. o. b. Poti. The production cost f. o. b. Poti consisted of the following expense items:

1. Production cost f. o. b. Chiaturi.....	18.90 kopeks
2. Loading and transportation to Poti.....	7.51 kopeks
3. Loading on the steamer and charges.....	4.02 kopeks
	<hr/>
	30.43 kopeks

If the expenses for unloading, commission charges and stamp duties, are included, it appears that the final production cost f. o. b. Poti is 33.6 kopeks per pood; comparing the sales price with the production cost, the great profits obtained in the export of Chiaturi manganese ore in 1923-24 become evident.

Considerable preparatory work has been going on in the Nikopol Region toward raising the productivity of the industry to the pre-war proportions. With this object, new mines are being equipped in places that formerly were not operated, but would present many advantages for the working of the ore by reason of their proximity to the railroad and to the other mines already in operation; these new mines—Shishkinsky and Novy Piromozit are intended to form one large enterprise together with the former Gorodishchensk mines.

During the fiscal year of 1924-25, the production program for Nikopol provides for a yield of 10,300,000 poods of concentrated ore of which 6,000,000 poods are of the first grade and 4,300,000 poods of the third grade; the production cost of the first grade is estimated at 28.76 kopeks per pood.

No data for the production of ore in 1924-25 at Chiaturi are available as yet, but it must be assumed that the ore to be mined at Chiaturi, during that year will not be less than 20,000,000 poods.

Copper and Lead-Zinc Ores

Copper and lead-zinc ores were obtained in comparatively small quantities in the territory of the U. S. S. R. during the year 1923-24. Copper ores were obtained by the "Uralmed" (Ural Copper Trust) in the Urals, while lead-zinc ores were found in the Northern Caucasus by the "Kavtsink" (Caucasus Zinc Trust). The quantities of ores mined by these enterprises are given in the following table:

	1923-24	1922-23
	Poods	Poods
"Uralmed" Copper Ores.....	5,800,000	3,700,000
"Kavtsink" Lead-Zinc Ores.....	500,000	—

The ores were shipped exclusively to the smelting works of the above organizations, the Kalatinsk works in the Urals and the Alagirsk works in Vladikavkaz.

Other Ores

Among the other ores mined in the Urals were chrome iron ore, asbestos and magnesite. The following were the quantities mined:

	1923-24	1922-23
	Poods	Poods
Chrome iron ore.....	264,000	54,000
Asbestos	450,000	300,000
Magnesite	1,700,000	941,000

The above short outline of the work of the Russian ore industry for 1923-24 presents a picture of intensive development in this important branch of the nation's economic life, and the schedules for the coming year permit one to assume that this development will be continued and that it will not stand still when the pre-war standards and proportions have been attained.

Iron and Coal

THE iron industry of Soviet Russia, which has been the slowest industry to recover in the Soviet Union, shows a marked advance for the first quarter of the current fiscal year ending October 1, next. Production for the quarter showed increases of from 50 to 150 per cent in different classes of iron over the same period last year, or a net increase of 71 per cent for the entire industry. The output is still far below the pre-war figure.

The production in tons of the various classes of iron during the quarter, with the percentage of increase over the first quarter of last year, is as follows:

	Increase over same	
	Tons period last year	
Cast Iron.....	239,100	68.6
Martin Steel.....	400,100	58.8
Rolled Black Iron.....	272,700	59.7
Assorted Iron		
(bars, blocks, etc.)....	128,900	152.9
Plate Iron.....	27,400	94.6
Sheet Iron.....	42,600	51.4

Coal Production in the Soviet Union

The official figures of coal production in the Soviet Union for the first quarter of the current fiscal year ending October 1 next, show an increase of 7.4 per cent over the gross production for the same period last year. The comparative figures of the output are as follows:

	1st Quarter	1st Quarter
	1924-25	1923-24
	Poods	Poods
Don Coal Basin.....	154,500,000	135,400,000
Moscow Coal Fields..	8,000,000	13,600,000
Urals	20,000,000	17,300,000
Siberia	18,000,000	20,400,000
	<hr/>	<hr/>
Total	200,500,000	186,700,000

The coal shipped out from the mines during the quarter reached 168.4 million poods as compared with 116.9 million poods for the same quarter last year.

Leather Industry in the U. S. S. R.

PRELIMINARY data based on the accounting of the products by the enterprises of the State leather industry show the preparation of 5,998,000 skins in terms of hides (there were 4,981,000 hides and 4,069,000 skins), and 1,487,000 pairs of heavy shoes and 2,735,000 pairs of light shoes, or 3,879,000 pairs in terms of light shoes.

The production of the harness industry need not be spoken of here, as it is in a condition of temporary decline.

The comparative position of the syndicated* and non-syndicated leather industry may be seen from the figures given in the table below, showing the output for 1923-24:

Kind of industry	Tanneries			Shoe factories		
	Hides	Skins	Total in terms of hides	Heavy shoes	Light shoes	Total in terms of light shoes
Syndicated industry.....	3,451,000	2,971,000	4,194,000	1,409,000	2,059,000	3,143,000
Non-syndicated industry.....	1,530,000	1,098,000	1,804,000	78,000	676,000	736,000
Entire leather industry.....	4,981,000	4,069,000	5,998,000	1,487,000	2,735,000	3,879,000

The output of the syndicated industry for 1923-24 consists of 70 per cent of the leather production and 81 per cent of the shoe production.

The relative share of the non-syndicated leather industry is increasing in the production of leather from year to year: in 1921-22 the share of the non-syndicated leather industry amounted to 22 per cent of the entire annual production of tanneries; in 1922-23, to 29 per cent; in 1923-24, to 30 per cent. In the production of shoes, the picture is somewhat different: while in 1921-22, the share of the non-syndicated industry amounted to 37 per cent, this figure had gone down in 1922-23 to 28 per cent, and in 1923-24 to 19 per cent. It must be pointed out that the increase in the relative share of small enterprises in the production of leather is reflected by an absolute increase in the productivity of these enterprises from year to year, while the decrease in the relative share of small enterprises in the shoe industry is accompanied by an annual decrease in the absolute quantities of shoes produced.

The rate of rehabilitation of the leather industry during the last few years may be seen from the data in the following table:

Year	Output of leather in terms of hides	Output of shoes in terms of light shoes
1921-22.....	4,055,000	2,989,000
1922-23.....	5,611,000	3,080,000
1923-24.....	5,998,000	3,879,000

Taking the production figures for 1921-22 as 100 the following table is obtained:

Year	Output of leather	Output of shoes
1921-22.....	100	100
1922-23.....	138	103
1923-24.....	148	130

If the data are examined separately for the syndicated and non-syndicated industries, different results are obtained:

Year	Output of leather in terms of hides		Output of shoes in terms of light shoes	
	Syndicated	Non-syndic.	Syndicated	Non-syndic.
1921-22	3,159,000	896,000	1,882,000	1,107,000
1922-23	3,977,000	1,834,000	2,219,000	861,000
1923-24	4,194,000	1,804,000	3,143,000	736,000

The syndicated industry both in the production of leather as well as in the production of shoes, presents a series of figures increasing year by year, while the non-syndicated industry shows an increase in the production of leather accompanied by a decrease in the production of shoes.

If the production figures for 1921-22 are set at 100, the development of the syndicated and non-syndicated leather and shoe industry will be seen in the following percentages:

Year	Output of leather		Output of shoes	
	Syndicated	Non-syndic.	Syndicated	Non-syndic.
1921-22	100	100	100	100
1922-23	126	182	118	78
1923-24	133	201	167	66

The rehabilitation of the leather industry is proceeding in the small non-syndicated tanneries at a more rapid rate than in the large syndicated industry, while simultaneously there is to be noticed a rapid increase in the shoe production by the large mechanically equipped factories in the syndicated industry, and a decrease in the production of shoes in the small half-equipped and unprofitable non-syndicated enterprises, which are gradually disappearing.

With regard to the carrying out of the production program during the year under consideration, data are available only for the syndicated industries, in which the production program was carried out in full (100 per cent) both as to the output of leather and as to shoe production.

The average number of tanneries working in the course of the fiscal year 1923-24 was 161 (67

*Syndicates are large combinations of industrial trusts, attending to the commercial end of the industry in question.

factories or 42 per cent of the total number were of the syndicated industry, and 90 factories, or 58 per cent of the total number, of the non-syndicated industry) while the number of shoe factories was 39 (19 factories of the syndicated industry and 20 factories of the non-syndicated industry).

The concentration of the leather industry affected chiefly the shoe factories; thus, in the Moscow trust, at the end of the year, 4 shoe factories were united into a single factory, the "Burevestnik," with a production of 3,000 pairs daily.

Altogether 28,700 workers were employed on the average in 1923-24 in the production of leather and shoes (18,200 workers in the tanneries and 10,500 workers in the shoe industry, not counting those engaged in home industry); in 1922-23 the number had been 28,300 (18,800 workers in the tanneries and 9,600 workers in the shoe industry).

The average number of workers per enterprise is shown in the table below:

	Tanneries		Shoe factories	
	1923-24	1922-23	1923-24	1922-23
Syndicated industry....	178	138	417	308
Non-syndicated industry	67	61	145	133

The increase in the average size of the enterprises is a direct result of the concentration of production.

The supply of raw materials to the leather industry in the course of the year proceeded without a hitch except for light leathers; a slight insufficiency of sole leather was made up for by importing heavy American leather from abroad.

In the matter of sales of leather products, the crisis the industry has passed through in the beginning of 1923-24 was more than made good by the unheard of boom in trade following upon the crisis, and which revealed an extreme scarcity of article in a number of regions at the end of the fiscal year.

The turnover of the Leather Syndicate in the sale of its products, on the basis of preliminary figures for the fiscal year, amounted to more than 40,000,000 gold rubles. If to this sum is added the turnover of the Syndicate in the delivery of shoes on Government orders, the total turnover of the Syndicate in the matter of sales will amount to more than 57,000,000 gold rubles. The share of the Leather Syndicate in the total sum realized from sales of goods by the trusts amounts to not less than 60 per cent.

The total turnover of the Syndicate in the course of the year under discussion increased almost 100 per cent in the fourth quarter as compared with the first quarter.

In connection with the campaign to "bring the goods to the consumer," the All-Russian Leather Syndicate removed the center of gravity of its

operations from Moscow to the provinces: while in 1922-23, the share of the provinces in the sales made by the All-Russian Leather Syndicate was only 8 per cent, that of Moscow being 92 per cent, in the fiscal year 1923-24 69 per cent of these sales fell to the provinces and only 31 per cent to Moscow.

The chief distributing agents of the All-Russian Leather Syndicate are the cooperative organizations, which handled 40 per cent of the entire turnover; the State organs took 27 per cent, private persons 33 per cent.

Among the principal factors bringing about the boom in the trade turnover of the leather industry are to be mentioned the considerable reductions in price that were made in the course of the year. The extent of these reductions was from 32 to 55 per cent of the previous year's prices.

A further decrease in the overhead expenses and the increase of production which is provided for in the fiscal year 1924-25, will doubtless make possible further reductions in prices, which are still somewhat higher than before the war.

Output of the Textile Industry

THE Supreme Council of National Economy has issued the following figures covering the output of the textile industry for the expired fiscal year 1923-24 and the production program for the entire current fiscal year 1924-25, as compared with the pre-war calendar year 1912:

	Annual Production of Finished Goods in 1912			Production Program for 1924-25		
	1912	1923-24	Percentage of 1912 Total	1924-25	Percentage of 1912 Total	
Cottons..	2,275,000	806,808	35.5	1,300,000	57.1	
Woolens..	54,420	29,057	51.6	31,900	60.0	
Linens....	107,224	95,495	89.1	101,726	94.9	

The proposed output for 1924-25 represents a large advance over 1923-24. However, judging by the per capita consumption of textiles before the war, the industry will still be far from fulfilling the country's needs for cottons and woolens, as the following table shows:

Per Capita Consumption of Textiles in Meters

	1913	1923-24	1924-25
Cottons.....	17.0	6.2	10.0
Woolens.....	0.4	0.1	0.2
Linens.....	0.8	0.6	0.7

The Soviet Union's textile industry is recuperating. Lower production costs, higher labor efficiency, reduced overhead expenses, and increased purchasing capacity on the part of the population are the conditions of its complete recovery. In all probability it will be necessary to expand the production program for 1924-25, as was the case in 1923-24.

The Aldan Gold-Fields

THE newspapers recently made much of the report of the discovery of gold along the river Aldan, a tributary of the Lena River.

The Aldan gold-bearing area is situated between 350 and 400 versts to the northeast of the Lena gold-fields. The deposits discovered are exceptional in their extent and wealth. If the early reports of the richness of the deposits are confirmed in the future, this region may become one of the principal sources of gold in the Soviet Union.

The gold-bearing basin of the upper reaches of the Aldan River, a right-hand tributary of the Lena River, was opened up in the nineties of the past century by the Liman Company, formerly a well known organization. Gold was discovered along the Uchur River, a right-hand tributary of the Aldan River. This district was exhausted in about 20 years, approximately 500 poods of gold having been extracted. Prospecting was pushed forward toward the southwest, the Timpton region with the rich Lebedina, Skobeltsin and other mines, which yielded about 600 poods of gold in the course of 6 to 7 years, but suffered exhaustion after a few years. Between 1916 and 1917 rich gold deposits were located by private prospectors 300 versts to the northwest of the Uchur district along the river system of the Great and small Nimger (Nemnyr), the Selikdar, and the Terkanda. Upon the cessation of the civil war operations were continued here on a small scale with insignificant results.

In the year 1919 rumors of rich new discoveries rapidly spread through the Lena and Amur regions, and a heavy tide of prospectors, as well as workers from the Lena, Zeya, and Amur mines, began to stream into the newly found gold-field. Independent prospectors, for the most part Tunguses and Yakuts, pushed further to the west and opened up the area of the Nimger, Selikdar, and Terkanda Rivers with the streams flowing into them, along which gold deposits of extraordinary wealth are revealed. With the spring of the year 1923 this movement, despite the obstacles interposed on the part of the local administrative authorities, takes on a mass character. A severe shortage of workers began to be felt in the State enterprises. At the beginning of the year 1925 about 5,000 independent prospectors were working in the Aldan region.

The information received by the Mines Division of the Supreme Council of National Economy speaks definitely of the exceptional riches of the deposits brought to light. During the current year the Yakut administrative institutions have purchased over 110 poods of gold with the support of the State Bank, and not less than 200 poods are scattered amongst the workers, private traders, and others.

Prior to a scientific geologic and economic investigation of the region it is difficult to discuss its systematic future exploitation, but it may already be stated that the Aldan field represents a considerable discovery and may become an important source of gold supply in the Union of S. S. R.

The conditions for exploitation are extremely favorable. The gold lies at a small depth, there is not too much frozen ground, nor too much water in the soil, and the deposits have a large gold content, surpassing the richest deposits of the Lena region. The possible gold resources in the five sections of the region now being worked are calculated at 14,000 poods. The Mines Division of the Supreme Council of National Economy has despatched an official commission from the Lena mines to the Aldan region in order to become acquainted with the conditions on the spot. The Geological Committee intends to send an expedition to the Aldan field during the summer of 1925 for a geological survey of the deposits under exploitation.

The Yakut Central Executive Committee and the neighboring regional authorities have adopted all the necessary measures for furnishing the Aldan field with supplies.

According to the latest information the Collegium of the Chief Economic Administration of the Supreme Council of National Economy has decided to discontinue the right of private prospectors to enter the region of the Aldan gold fields and register their discoveries. The Division of Mines of the Supreme Council of National Economy plans the formation of a State Joint Stock Company, with participation of the "Lenzoloto" (Lena Gold Trust), the State Bank, and the Yakutsk Soviet Socialist Republic, for the exploitation of the Aldan deposits.

Special Issue of the "Russian Review"

The next issue of the *Russian Review* will be almost entirely devoted to the Third Session of the Central Executive Committee of the Union of Socialist Soviet Republics, which was held at Tiflis early in March. The following vital reports and speeches will be printed in full:

1. The Report rendered to the Session by Lenin's successor, A. I. Rykov, President of the Council of People's Commissars of the Union of S.S.R., with regard to the internal condition of the country;
2. The Report submitted by G. Tchitcherin, People's Commissar for Foreign Affairs, concerning the Soviet Union's international position; and
3. Rykov's speech on the country's international situation.

Flax, Hemp and Cotton Growing

THE area under cultivation of flax in 1916, 1922, 1923 and 1924 in the Union of S. S. R. (excluding the Far Eastern Region, Turkestan and Transcaucasia) was as follows: 1916—1,383,000 dessiatins; 1922—818,000 dessiatins; 1923—845,000 dessiatins; and 1924—1,058,000 dessiatins. In 1924 the area was 77 per cent of the pre-war area, and had increased 26 per cent compared with the previous year, the increase amounting to 200,000 dessiatins. So far as the needs of Russia's industries and exports are concerned, however, interest is centered not so much in the entire area under flax, as in the area producing the long-fibred flax which presents the following figures: 1916—1,043,000 dessiatins (100 per cent); 1923—534,000 dessiatins (52 per cent), and in 1924—693,000 dessiatins (68 per cent).

As compared with the pre-war period, the area under long-fibred flax is still short about 30 per cent, or about 300,000 dessiatins.

The yield of marketable flax in 1924 was 17.6 poods per dessiatin, or a total of 12,200,000 poods, being an improvement on the previous year, which yielded 16.2 poods per dessiatin, and a total of 8,600,000 poods.

According to the production plan for 1924-25 the Soviet Union's industries are to work up 4,500,000 poods of fibre, while the needs of the peasant home industries are estimated at 3,500,000 poods, making a total of 8,000,000 poods. There remains, therefore, for the fiscal year 1924-25 a surplus of over 4,000,000 poods on the domestic market to which should be added the unused surplus of 1923, estimated to be not less than 700,000 poods.

According to the calculations of the Commissariat for Foreign Trade, the European markets will be able to absorb in 1924-25 about 3,700,000 poods of Russia's flax.

The area under cultivation of hemp in 1916, 1922, 1923 and 1924 presents the following figures: 1916—545,000 dessiatins (set at 100); 1922—455,000 dessiatins (84 per cent); 1923—530,000 dessiatins (97 per cent), and 1924—639,000 dessiatins (117 per cent).

The total area throughout the entire territory of the Union has already exceeded the pre-revolutionary scale, the excess being provided by districts outside of the industrial hemp-growing region, a condition which is also true in regard to flax.

The yield of hemp fibre in 1923 amounted to 36 poods per dessiatin, or a total of 19,300,000 poods. Preliminary figures for 1924 estimate the yield at 30 poods per dessiatin, and a total of 19,000,000 poods of raw hemp roughly dressed, 100 poods of which go to produce from 22 to 27 poods of tow, and respectively from 73 to 66 poods of pure hemp.

There can be no question of any shortage of hemp for home needs, as the production plan calls for the handling in manufacture of only 1,400,000 poods, representing less than 10 per cent of the total production. The same may be said about the entire needs of the country.

The yield of hemp in 1924, therefore, covers also the entire needs of the peasant population in its pre-war extent, the yield in general equalling pre-war yields.

In the matter of hemp exports the situation is not quite satisfactory. Among the resolutions passed at the last Flax Conference was the following: "As a result of the existing prices and the competition created by the exotic fibres, the existing conditions of export cannot in the near future tend toward stimulating the development of hemp-growing."

At this congress also it was made clear that the methods at present used for growing and dressing the hemp in Russia are extremely archaic and increase the cost of production, thus weakening its position on the market.

The growing of cotton is confined to two regions: Turkestan, Khiva and Bokhara, on the one hand, and Transcaucasia, on the other. The area under cotton in these regions in 1916, 1922, 1923 and 1924 was as follows (in dessiatins):

	Turkestan	Khiva and Bokhara	Transcaucasia	Total	Percentage
1916	533,700	147,000	93,500	774,200	100
1922	51,400	12,000	1,000	64,400	8
1923	147,000	28,800	18,600	194,400	25
1924	285,800	64,400	105,400	455,300	58

The success achieved in re-establishing the growing of cotton is lessened to a considerable extent by the small yields. In 1916 the average yield per dessiatin was about 70 poods; in 1923 and 1924 the yield was only 42 and 47 poods.

The total yield of raw cotton in 1916 amounted to 50,900,000 poods; in 1923 it was 8,200,000 poods; the yield in 1924 is estimated at 21,500,000 poods, which shows an increase of two and a half times in the course of that year. However, the 1924 quality is somewhat inferior to that of the previous year, when the best qualities represented about 80 per cent of the yield; in 1924, only 60 per cent is expected to be first quality. This quantity is expected to produce about 6,060,000 poods of fibre. The fibre produced in 1923 amounted to only a little over 2,550,000 poods.

Of the 7,000,000 poods handled by Soviet mills in 1923, more than two-thirds were imported from abroad. The situation is reversed in 1924-25, the production plan calling for 10,500,000 poods, so that, even with a considerably increased program the Soviet Union will use two-thirds of its own cotton, and only one-third imported.

At the pre-war yield, the harvest from the 1924 area would have been not 6,000,000 poods, but 10 or 11 million poods, or almost sufficient to cover the country's needs.

Crops and Live Stock in 1924

OFFICIAL Soviet statistics issued in November, 1924 showed the following grain crops for the calendar year 1924 as compared with 1923:

	1923	1924	Percentage Ratio of 1924 to 1923
Rye.....	1,099,000,000	1,032,000,000	98.9
Wheat.....	548,000,000	556,000,000	101.4
Oats.....	461,000,000	429,000,000	93.0
Barley.....	268,000,000	204,000,000	76.1
Buckwheat.....	84,000,000	70,000,000	83.3
Millet.....	228,000,000	111,000,000	48.7
Corn.....	183,000,000	107,000,000	80.4
Total Grain.....	2,821,000,000	2,509,000,000	86.9

While the grain harvest showed a decline in comparison with 1923, the technical crops surpassed the preceding year's total, as the following figures demonstrate:

	1923	1924	Percentage Ratio of 1924 to 1923
Potatoes.....	1,001,000,000	991,000,000	99.0
Flaxseed.....	19,000,000	25,000,000	131.6
Flax Fiber.....	9,000,000	13,000,000	144.4
Hemp.....	19,000,000	20,000,000	105.3
Sunflower Seed.....	103,000,000	94,000,000	91.2
Sugar Beets.....	132,000,000	205,000,000	155.3
Tobacco.....	8,000,000	8,000,000	100.0
Total.....	1,286,000,000	1,351,000,000	105

Data published under the same date pointed to great progress toward quantitative and qualitative improvement in the herds of cattle, as indicated in the following table:

	1916	1923	1924
Oxen and Steers (over 2 yrs.).....	4,200,000	2,600,000	2,900,000
Cows.....	22,300,000	20,100,000	22,000,000
Heifers and Bullocks.....	9,600,000	5,300,000	8,000,000
Calves.....	14,100,000	10,400,000	18,100,000

Number of Sheep in the Soviet Union

The number of sheep in the Soviet Union has now reached virtually the pre-war figure. The sheep within the territory of what is now the Soviet Union at the beginning of 1914 numbered 75,000,000, and at the beginning of the present fiscal year (October 1) 74,500,000. The increase has been 40 per cent in the past year. The number of sheep yielding high grade wool is less than 500,000, as compared with 4,000,000 before the war.

With the rehabilitation of the sheep-breeding industry the Soviet Union has begun to export wool. Nearly 1,000 tons of wool figured among the exports for the first quarter of the current fiscal year.

Revival of the Siberian Dairy Industry

In 1923-24, it was expected that 700,000 poods of butter would be placed on the market, but in reality the production was almost twice as much, namely, 1,315,000 poods.

Of all the Siberian industries which were paralyzed by the World War and the Civil War, this is the one that has made the speediest recovery.

There was a time when this industry was almost at a standstill. In the pre-war period, western Siberia produced about 4,500,000 poods of butter yearly, while in 1920 the output was only 60,000 poods.

A number of reasons favor the restoration of dairy industry. The main factor is the revival of the former union of the Siberian Dairy Cooperatives now known as the "Maslocentr" (Central Union of Butter Cooperatives).

This industry, furthermore, is one of the most profitable branches in the system of agricultural economy. Dairying is much favored in Siberia by natural and historic conditions. It is also influenced by the quite noticeable reorganization of Siberian agriculture according to the system of triple crop rotation, which will contribute to the development of cattle breeding.

It is definitely planned to turn out not less than 2,500,000 poods of butter during the current fiscal year, and the value of Siberia's butter output for 1925 is calculated at 30,000,000 gold rubles.

Agriculture in Siberia

The following figures show the development of agriculture in Siberia:

	Area under Cultivation Dessiatins	Number of live stock
1917	5,800,000	Figures unavailable
1923	Figures unavailable	13,500,000
1924	4,000,000	17,300,000

The surplus of grain products in Siberia for 1925 is estimated at 40,000,000 poods; the surplus in 1924 amounted to 18,000,000 poods.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 arshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 dessiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$.514.
- 1 kopeck equals .01 of a ruble.
- 1 chervonets equals 10 gold rubles; its gold parity is \$.14.

Foreign Trade of the Soviet Union

FIGURES for the foreign trade of the Soviet Union for the first quarter of the current fiscal year ending October 1 next, show a decrease of 36.4 per cent in exports, as compared with the same period last year, with an increase of about 25 per cent in imports. Exports for the period amounted to 70,100,000 rubles (\$36,000,000), and imports to 56,800,000 rubles, both figures being on the basis of pre-war prices. Thus despite the sharp drop in exports there is still a favorable trade balance. To translate the figures to the basis of present prices it would be necessary to increase the values given by 60 per cent.

The decline in exports for the quarter is due to the complete cessation of exports of wheat and rye, as a result of the bad harvest last year affecting 10 per cent of the grain crop. During the first quarter of the last fiscal year the exports of wheat and rye totaled 57,000,000 rubles, or more than half of the total exports. Corn, oil-cake and seeds have been the only grain exports this year.

Export commodities other than grain showed an advance of 41 per cent over the same period last year. Among the principal exports, flax, petroleum and butter and eggs showed large increases, timber products a smaller gain. Among the secondary exports animal casings increased 11 per cent, horse hair 12 per cent, bristles 90 per cent. Wool exports totaled 918 tons as against none for the first quarter of 1923-24, dressed fowl 2,536 tons as against 32 tons, meat products 332 tons as against 5 tons, with similar increases for geese and hogs.

Timber Exports

The exportation of timber from the Soviet Union has grown very rapidly, having risen from 24,000,000 poods in 1921, when these exports started, to 113,900,000 poods for the fiscal year 1923-24. The amount of timber exported out of the present territories of the Union of S. S. R. before the war is estimated at 270,000,000 poods, so that the total for 1923-24 constitutes 42 per cent of the pre-war aggregate.

Hand in hand with the increase in exports has gone a fall in the unit price obtained, the average per pood having decreased from 71 kopecks in 1921-22 to 57 kopecks in 1923-24. Apart from the decline due to the larger supply thrown on the market, this reduction is due to the larger proportion of rough timber exported, almost none of this cheaper material having been shipped in 1921-22, whereas it constituted 50.2 per cent of the total for 1923-24.

The decline in the average price would have been still greater, had it not been partly counter-balanced by increased exports of the more ex-

pensive hardwoods, which rose from 691,300 poods in 1922-23 to 1,200,000 poods in 1923-24. Plywood exports have also expanded, advancing from 5,837 cubic meters (worth 576,400 gold rubles) in 1922-23 to 15,943 cubic meters (worth 1,600,000 gold rubles) in 1923-24.

The following table illustrates the principal national markets for Soviet timber in 1923-24:

Countries	Quantity in Poods	Percentage of Total	Value in Gold Rubles	Percentage of Total
Great Britain..	57,800,000	51	39,200,000	61
Holland.....	15,200,000	13	7,040,000	11
Japan.....	14,900,000	13	5,400,000	8
China.....	6,600,000	6	2,400,000	4
Germany.....	4,100,000	4	2,890,000	5
Others.....	15,400,000	13	7,040,000	11
Total.....	114,000,000	100	63,970,000	100

The figures show that 87 per cent of the total is taken by five countries with Great Britain far in the lead. The next table furnishes an interesting percentage comparison of timber exports to various countries before and after the war:

Countries	Percentage of Total Quantity		Percentage of Total Value	
	1913	1923-24	1913	1923-24
Great Britain.....	35.6	50.75	40.6	61.22
Germany.....	32.6	3.60	25.6	3.43
Holland.....	16.4	13.33	15.7	11.02
France.....	5.0	0.56	6.4	0.76
Belgium.....	3.9	0.86	4.7	1.10
Austria-Hungary.....	2.2	0.00	2.3	0.00
Others.....	4.3	80.90	4.7	22.47
Total.....	100	100	100	100

Notable increases are exhibited by shipments to Great Britain and also to countries listed under the heading "Others," which include the Far-Eastern markets, now of growing importance with respect to timber exports, in marked contrast to their pre-war position.

About thirty Soviet organizations are engaged in the exportation of timber products from the Soviet Union. Foremost among these is "Sevroles" (Northern Timber Trust). This trust exported 32,400,000 poods of timber in its own name and together with its affiliated mixed joint-stock companies ("Russangloles," "Russhollandoles," and "Russnorvegoles") accounted for 40 per cent of the total shipped out of the country. Another important export organization is the "Sevzaples" (Northwestern Timber Trust), which shipped 15,400,000 poods (worth 9,800,000 gold rubles). The "Dalles" (Far-Eastern Timber Trust) exported 8,900,000 poods (worth 3,500,000 gold rubles), mostly rough and low-priced timber material.

Soviet Imports of American Cotton and Dyestuffs

The New York office of the All-Russian Textile Syndicate reports that it made the following exports of American commodities to the Soviet Union during the calendar year 1924:

1924	Commodity	Quantity	Value F.O.B. Port of Forwarding
January.....	—	—	—
February.....	Cotton	9,904 bales	\$1,876,692.54
"	Cotton Seed	3,000 bags	17,200.00
March.....	Cotton	15,094 bales	1,806,577.95
April.....	"	23,002 "	4,275,140.33
May.....	"	14,823 "	2,347,324.19
June.....	"	58,464 "	9,381,744.65
July.....	"	63,263 "	10,118,865.56
"	Dyestuffs	41 barrels } 20 cases }	4,352.80
August.....	Cotton	4,595 bales	726,384.02
September....	"	20,900 "	3,219,117.12
October.....	"	12,600 "	1,870,197.21
November....	—	—	—
December.....	—	—	—
Total.....	Cotton	222,645 bales	\$35,621,983.57
	Cotton Seed	3,000 bags	17,200.00
	Dyestuffs	61 parcels	4,352.80
	Total Value		\$35,643,536.37

Trading Operations of "Centrosoyuz" in America

Centrosoyuz-America, Inc., of 136 Liberty St., New York, the trading organization of the Central Union of Russian Consumers' Cooperatives, affiliated also with various producing cooperatives in the Soviet Union, has issued its first report on its trading operations in the United States. The trade turnover here in 1924 amounted to \$4,377,850.68, as compared with \$3,841,066.18 for 1923, the Russian products sold here amounting to six times the value of those purchased. Not included in the turnover are unsold Russian goods remaining on hand here at the end of the year to the amount of \$731,324.40.

During January and February of this year the sales of Russian products here showed a further advance, the total being \$814,772.71 for the two months. Centrosoyuz has received from American firms large orders for flax to be delivered during the present year, and has placed larger orders than last year for future delivery, so that the trade turnover is expected to set a new high record in 1925.

Statistics of purchases and sales for 1924 are as follows:

<i>Sold in the United States</i>	
Furs	\$3,326,762.93
Bristles	262,251.82
Black Caviar	103,237.05
Flax and hemp	25,072.98
Rugs	14,093.28
Mushrooms	13,091.73
Horse Hair	12,088.38
Down and feathers	5,632.78
Wool	2,906.35
Fish	2,075.61
Raw materials for medicine.....	294.35
	\$3,787,507.28

Purchased in the United States

Twine	\$811,908.82
Agricultural machinery	253,436.13
Hunters' supplies.....	28,188.31
White resin	16,307.73
Radiographic supplies	502.43
	\$610,343.42

During January and February the total sales here were as follows:

Furs	\$716,477.85
Caviar	68,323.25
Fibre	22,827.32
Bristles	6,993.82
Miscellaneous	150.47
	\$814,772.71

Centrosoyuz conducted about one-eleventh of the total trade between the United States and the Soviet Union during 1924, but it furnished nearly half of the American imports from Russia.

The Ukrainian Soviet Republic

(This is the concluding instalment of an article on the Ukrainian Soviet Republic, that was started in the preceding issue of the "Russian Review.")

THE railway transport system of the Ukrainian Republic increased its freight turnover to a marked extent. Thus, the freight turnover, which for the fiscal year 1922-23 constituted only 22.6 per cent of the 1913 total, rose to 31.1 per cent in 1923-24, and under the program for 1924-25 it is designated for an increase to 40.2 per cent of the 1913 figure, that is, for an advance of 30 per cent as compared with the 1923-24 accomplishment. In the sphere of transportation attention is attracted by the extensive delapidation of the highways and dirt roads and the bridges, a considerable part of which was destroyed at the time of the world and civil wars. The surveys carried out have established the fact that 66 per cent of the entire length of roads and bridges require major repairs, which were initiated in 1924.

Budget and Finances

The following sums were expended under the State budget of the Ukrainian Socialist Soviet Republic for the fiscal year 1923-24 (in gold rubles):

Uncentralized People's Commissariats.....	26,000,000
Centralized People's Commissariats.....	12,800,000
Budget supplement for feeding children, etc.....	800,000
Total.....	39,600,000

The revenue section of the local budget was calculated at 111,000,000 gold rubles, and the expenditure section at 112,500,000 gold rubles, or 20 per cent lower than the 1922-23 budget.

The position of the regional budget was particularly strengthened, the revenue returns having increased from 56.5 per cent in the first quarter to

95.8 per cent in the third quarter. The allotments for rural needs augmented at the same time. In the fiscal year 1922-23 the budgets of the Provincial Executive Committees constituted 42 to 64 per cent of the entire local budget, but during the year 1923-24 the share of the District and Regional Executive Committees amounted to from 40 to 74 per cent.

The actual tax revenues of the Ukrainian Soviet Republic for the fiscal year 1923-24 were as follows:

	Amount in Gold Rubles	Percentage of Budget Estimate
State taxes.....	42,400,000	118
Indirect taxes.....	60,100,000	71
Total.....	102,500,000	85

Up to September 15, 1924, the single agricultural tax had brought in 10,800,000 gold rubles, or 100 per cent of the program quota for the first installment, and during subsequent weeks the returns came in quite normally, having aggregated 19,500,000 gold rubles up to October.

Of the total annual quota of 8,100,000 gold rubles for revenues from other than tax sources 21 per cent had been received by the end of the first six months and 50 per cent during the third quarter. In the opinion of the People's Commissariat for Finances there was every ground to believe that the quota would be fulfilled by the end of the year.

Municipal Economy

Municipal economy is being rapidly restored. The municipal administration budget grew from 5,600,000 gold rubles in 1921-22 to 46,000,000 gold rubles in 1923-24, i. e., it surpassed the pre-war budget of the Ukrainian cities by 50 per cent.

The output of the electric power stations in the six largest cities during the year 1923-24 constituted 160 per cent of the 1914 total. There was expended on the reconstruction and expansion of the power station system in the working districts 13 per cent of the entire budget revenues in Kiev, and 33 per cent in Vinnitsa and Bakhmut.

The total efficiency of the electric trolleys in 1923-24 amounted to 60 per cent of the 1914 standard.

The number of nationalized buildings in the nine provinces of the Ukraine equalled 21,386, which constitutes 39 per cent of all structures and 67 per cent of all living quarters. Of these 3,178 were under cooperative management and 9,288 remained in control of the municipal administrations.

Finally, during the year 1923-24 new construction also began in the cities. In Kharkov three groups of workers' dwellings were built consisting of 36 new houses with 140 apartments, and five houses with 92 apartments are being reconstructed. The cost of the work amounts to about 1,300,000 gold rubles. In the program for the year

1924-25 some 3,000,000 gold rubles are allotted for this purpose. In Kiev 2,761 square sazhen of living space were reconstructed at a cost of 327,000 gold rubles. In Odessa the repair of 132 houses was carried out at an expense of 188,000 gold rubles. In Yekaterinoslav 87 houses were repaired at a cost of 226,000 gold rubles. In Vinnitsa repairs in the amount of 227,212 gold rubles were made.

Public Education

In the field of public education the year 1924 witnessed, on the one hand, the stabilization of the school system, which had hitherto declined disastrously, and, on the other hand, the adaptation of the higher educational institutions to the needs of the working people.

The increase of the Ukraine's schools during the past years is illustrated by the following figures: in the 1922-23 school year the educational system included 15,957 schools with 1,510,000 pupils; in 1923-24 the number of schools rose to 16,257 and the pupils to 1,544,000.

With relation to the higher schools normal connections have been established with the needs of the national economic life of the Ukrainian Republic and with the other branches of public instruction. As compared with the year 1914, when there were about 32,500 university students in the Ukraine, the number of students in the higher educational institutions during the years following the Revolution increased enormously and reached a total of 56,000 in 1921. By the end of the 1923-24 school year it had decreased to 33,000. As a result of a social and academical sifting process the number of university students for the coming year has been brought down to 27,000. In connection with this the social composition of the student body changed considerably, the workers and peasant element rising to 55 per cent instead of the pre-war average of 27 per cent.

During the elapsed year 650,000 workers, poor peasants and young men not yet called out for army service learned how to read and to write due to the activities of the 9,266 special schools established for the purpose of stamping out illiteracy.

The growth of the budget of public education in the Ukrainian Republic is shown in the following table (in gold rubles):

Fiscal Year	State Budget	Local Budget	Total
1922-23	9,300,000	5,400,000	14,700,000
1923-24	12,800,000	18,000,000	30,800,000

Under a decree approved by the Ukrainian Central Executive Committee and Council of People's Commissars during the course of the next six years universal obligatory instruction is to be introduced for children from the age of 8 to 11.

Considerable progress has been made during the past years in Ukrainianizing the schools. In 1924 with a Ukrainian population of 72 per cent there were 61.3 per cent Ukrainian schools and 11.4 per cent mixed Ukrainian-Russian schools. In addi-

tion to this, there were 919 Jewish schools with a total of 59,000 pupils, 626 German schools with 35,000 pupils, and 232 Polish schools with 11,000 pupils.

At the same time the percentage of Ukrainian students of the higher establishments rose from 25 to 30 per cent in the universities and from 46 to 56 per cent in the technical colleges.

Books and Newspapers

Much was done for Ukrainian culture and education by the Ukrainian State Publishing House, which issued 67 per cent of its publications in the Ukrainian tongue during the first 11 months of 1924.

The Ukrainian State Publishing House is at present printing five text books each for Jewish, German and Polish schools, 3 for the Bulgarian, and 2 for the Moldavian schools.

There are achievements to record in the newspaper field also. According to data given out at the October plenary meeting of the Central Committee of the Communist Party of the Ukraine, the circulation of the Ukrainian periodical press increased from 72,000 copies during March and April to 205,000 on September 1, 1924, thus showing a growth of about 200 per cent for the five months.

In the course of 1924 the total number of newspapers increased from 60 to 71 and the number of peasant papers from 7 to 19 according to the statistics of the People's Commissariat for Education.

Out of the total number of newspapers there is one issued in each of the Moldavian, Polish, German and Jewish tongues, all the others being published in Ukrainian or in Russian.

The Turkoman Soviet Republic

THE following information regarding the recently formed Turkoman Soviet Socialist Republic was furnished to a correspondent of "Izvestia" early in February by the plenipotentiary representative of the new republic at Moscow.

The territory of Turkomanistan comprises the parts of Turkestan in Central Asia inhabited by the Turkomans, together with certain districts in the vicinity of Amur-Darya formerly belonging to the Republics of Khiva and Bokhara. The total population is about 850,000.

The new republic holds forth great economic possibilities. In the first place, agriculture is undergoing rapid development in conjunction with the country's transition to production for the market. This development is closely bound up with the construction of cotton-ginning mills, oil-pressing factories and other establishments for working raw materials. Irrigation activities contemplated in the course of this year will increase the cotton area by 70,000 dessiatins (189,000 acres) so as to double it by 1926.

At the present time much attention is being devoted to the rehabilitation of live-stock raising, particularly horses, as the Turkoman horse matches the English thoroughbred in good qualities. The production of karakul fur is at the present time the most profitable branch of live-stock raising. Out of 700,000 karakul skins bought in Central Asia in 1924, 500,000 originated from Turkomanistan, as against 250,000 in 1923.

The Turkoman Republic also possesses rich natural resources, thus far insufficiently explored and but slightly exploited. There are unique deposits of ozokerite, a pre-eminently exportable article with a good demand on the markets of western Europe. In addition there are oil fields (Neftehdag Mountain), coal (Cheleken Island), salt mines (Yarmansk), and sulphur deposits which may make Turkomanistan an important supplier of this commodity for the entire Union of S. S. R.

For administrative purposes the Turkoman Soviet Socialist Republic is divided into five regions (Poltoratsk, Merv, Charjui, Kerkinsk, and Tashausk), each of which is in turn subdivided into five districts. Further subdivisions are the cantons ("volosts") and the villages ("auls"). These demarcations are subject to such future changes as may be required for the promotion of economic progress.

Owing to a number of historical causes, both social and political, the young republic has a serious illiteracy problem, against which an immediate struggle is to be waged. The outside limits for the elimination of illiteracy have already been fixed as follows: for trade union members—the tenth anniversary of the November Revolution (November 7, 1927), for members of the organizations of poor peasants the fifth anniversary of the founding of the Turkoman Soviet Socialist Republic—1929, for the rest of the population—the tenth anniversary of the Republic—1934. Steps have already been taken for the formation of an adequate body of capable Turkoman teachers, the opening of a sufficient number of schools, the publication of textbooks, and other requisites for success in the campaign against illiteracy. Hand in hand with this will go the work for the liberation of Turkoman women from century-old prejudices deeply rooted in tradition. Six special schools for women are being established for this purpose.

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Foreign Relations of the U. S. S. R.

The Soviet-Japanese Convention

FOLLOWING is the full text of the convention concluded between the U. S. S. R. and Japan and duly ratified by both sides. It was published in the Moscow "Izvestia" on February 27, 1925.

CONVENTION

Regarding the Basic Principles of Interrelations between the Union of Soviet Socialist Republics and Japan.

The Union of Soviet Socialist Republics and Japan, desiring to firmly establish mutual good-neighborly relations and economic cooperation, decided to conclude a convention regarding the basic principles of such relations and have for this purpose appointed their representatives, namely:

The Central Executive Committee of the Union of Soviet Socialist Republics appointed: Lev Mikhailovich Karakhan, Ambassador to China.

His Majesty, the emperor of Japan appointed: Kenkiti Yoshizava, Envoy Extraordinary and Minister Plenipotentiary in China, Djushia, Chevalier, First Class Order of "Holy Treasure," who, upon presenting to each other their respective credentials, these being found in proper and correct form, agreed upon the following:

ARTICLE I

The high contracting parties agree that with the coming into force of the present convention diplomatic and consular relations are established between them.

ARTICLE II

The Union of Soviet Socialist Republics agrees that the Treaty concluded in Portsmouth on September 5, 1905, remains in full force.

It is agreed that all treaties, conventions and agreements outside of the above mentioned Portsmouth treaty entered into between Japan and Russia up to November 7, 1917, will be revised at the conference which is to take place subsequently between the governments of the contracting parties, and that they may be changed or cancelled as will be called for by the changed circumstances.

ARTICLE III

The governments of the high contracting parties agree that with the coming into effect of the present convention they will take up the revision of the fishing treaty of 1907 taking into consideration those changes which might have taken place in the general conditions since the said fishing treaty was concluded.

Until such a revised treaty is concluded the government of the Union of Soviet Socialist Republics will adhere to the practice established in 1924 in regard to the leasing of fisheries to Japanese subjects.

ARTICLE IV

The governments of the high contracting parties agree that with the coming into effect of the present convention they will take up the matter of concluding a treaty regarding trade and shipping in accordance with the principles set forth below and that until such a treaty is concluded the general relations between the two countries will be regulated by these principles:

1. Citizens and subjects of each of the high contracting parties, in accordance with the laws of each country, will have the right of (a) full freedom of entry, movement and stay in the territory of the other party, and (b) constant full protection of the safety of life and property.

2. In accordance with the laws of the country, each of the high contracting parties, gives on its territory, to citizens or subjects of the other party, to the widest possible extent and on conditions of reciprocity, the right of private ownership, as well as freedom to engage in trade, shipping, mining and other peaceful occupations.

3. Without prejudice to the right of each contracting party to regulate by its own laws the system of international trade in that country, it is understood that neither of the contracting parties will apply against the other party in particular any prohibitive measures, limitations or taxation, which might act as obstacles to the development of economic or other intercourse between the two countries; and both countries propose to grant to the trade, shipping and industry of each country, insofar as possible, the privileges of the most favored country.

The governments of the high contracting parties further agree from time to time, as circumstances may demand, to enter into negotiations to conclude special agreements regarding trade and shipping for the purpose of regulating and cementing the economic relations between the two countries.

ARTICLE V

The high contracting parties solemnly confirm their desire and intention to live in peace and amity with each other, conscientiously to respect the undisputed right of each State to arrange its own life within the limits of its own jurisdiction at its own desire, to refrain and restrain all persons in their governmental service, as well as all organizations receiving any financial support from them, from any open or secret action, which may in any way whatsoever threaten the peace or safety of any part of the territory of the Union of Soviet Socialist Republics or of Japan.

It is further agreed that neither of the high contracting parties will permit on the territory under its jurisdiction the presence of:

(a) Organizations or groups claiming to be the government of any part of the territory of the other party, or

(b) Foreign subjects or citizens, in regard to whom it has been established that they actually carry on political work for these organizations or groups.

ARTICLE VI

In the interests of the development of economic relations between the two countries, and taking into considerations the needs of Japan with respect to natural resources, the Government of the Union of Soviet Socialist Republics is ready to grant to Japanese subjects, companies and associations concessions for the exploitation of mineral, timber and other natural resources in all parts of the territory of the Union of Soviet Socialist Republics.

ARTICLE VII

The present convention is subject to ratification. Such ratification by each of the high contracting parties should be notified as soon as possible through the diplomatic representatives in Peking to the government of the other party, and from the date of the last of such notifications this convention comes into full force.

The formal exchange of ratifications will take place in Peking within the shortest possible time.

In testimony whereof the respective representatives have signed the present convention in duplicate, in English, and have affixed their seals thereto.

Drawn up in Peking, this twentieth day of January, in the year one thousand nine hundred and twenty five.

(Signed)

L. KARAKHAN

(Signed)

K. YOSHIKAWA

PROTOCOL (A)

The Union of Soviet Socialist Republics and Japan, upon signing this date the convention regarding the basic principles of interrelations between them, found it desirable to regulate certain questions in connection with the above convention and through their respective representatives have agreed upon the following stipulations:

ARTICLE I

Each of the high contracting parties binds itself to turn over to the other party the immovable and movable property belonging to the embassy and consulates of that party and actually situated on the territory of the first party.

In the event that it be found that the land occupied by the former Russian government in Tokio is situated in such a way as to interfere with the plans for laying out the city of Tokio or for serving the public needs, the government of the Union of Soviet Socialist Republics will be ready to consider the proposals, which may be made by the Japanese government with a view to eliminating such difficulties.

The Government of the Union of Soviet Socialist Republics will give to the Japanese government all reasonable facilities in the choice of suitable sites

and buildings for a Japanese embassy and consulates to be established on the territory of the Union of Soviet Socialist Republics.

ARTICLE II

It is agreed that all questions regarding debts to the government or subjects of Japan in connection with State loans or treasury bonds issued by the former Russian governments, namely, the imperial Russian government and its successor—the Provisional government—are left for decision at subsequent negotiations between the Government of the Union of Soviet Socialist Republics and the Japanese Government.

It is intended that in regulating these questions the government or subjects of Japan, all conditions being equal, will not be placed in a less favorable position than that which the government of the Union of Soviet Socialist Republics will concede to the government or citizens of any other country on the same questions.

It is also agreed that all questions relating to claims of the government of one party against the government of the other party, or of citizens of one party to the government of the other, are left to be regulated at the subsequent negotiations between the Government of the Union of Soviet Socialist Republics and the Japanese Government.

ARTICLE III

In view of the fact that the climatic conditions in Northern Sakhalin prevent immediate transportation home of the Japanese troops now stationed there, these troops will be completely evacuated from the said region by May 15, 1925.

This evacuation must commence just as soon as climatic conditions permit, and in each and all of the districts in Northern Sakhalin thus evacuated by Japanese troops will immediately afterwards be restored full sovereignty of corresponding authorities of the Union of Soviet Socialist Republics.

Details regarding the transfer of administration and winding up the occupation will be arranged in Alexandrovsk between the commander of the Japanese army of occupation and representatives of the Union of Soviet Socialist Republics.

ARTICLE IV

The high contracting parties mutually declare that at the present time there exists no treaty or agreement regarding military alliance, or any other secret agreement concluded by either of them with any third party, which might constitute a violation of or threat to the sovereignty, territorial rights or national safety of the other contracting party.

ARTICLE V

The present protocol will be considered ratified with the ratification of the convention regarding the basic principles of the interrelations between the Union of Soviet Socialist Republics and Japan as signed this date.

In witness whereof the respective representatives have signed the present protocol in duplicate, in English, and affixed their seals thereto.

Drawn up in Peking, this twentieth day of January in the year One thousand nine hundred twenty five.

(Signed)

(Signed)

L. KARAKHAN

K. YOSHIKAWA

PROTOCOL (B)

The high contracting parties have agreed upon the following basic stipulations for concession agreements to be concluded during the period of five months from the day of complete evacuation of Northern Sakhalin by Japanese troops, as provided in Article III of Protocol (A), signed this date by representatives of the Union of Soviet Socialist Republics and of Japan.

1. The government of the Union of Soviet Socialist Republics agrees to give to Japanese concerns recommended by the Japanese government concessions for the exploitation of 50 per cent of the area of every oil-field in Northern Sakhalin, mentioned in the memorandum presented to the representative of the Union of Soviet Socialist Republics on August 29, 1924. In order to ascertain the area which is to be leased to Japanese concerns for such exploitation, each of the mentioned oilfields is to be divided into checkerboard squares, from 15 to 40 dessiatins each, the Japanese being given such a number of these squares as will represent 50 per cent of the entire area; it being understood that the squares thus to be leased to the Japanese, should not as a rule be adjacent, but should include all wells which are now being drilled or worked by the Japanese. As regards the remaining unleased oil lands mentioned in the same memorandum, it is agreed that should the government of the Union of Soviet Socialist Republics decide to offer these lands, in full or in part, on concession to foreigners, Japanese concerns will enjoy equal chances in regard to such concessions.

2. The government of the Union of Soviet Socialist Republics will grant to Japanese concerns recommended by the Japanese Government the right, for a period from five to ten years, of carrying on exploration work on the oil-fields along the eastern shore of Northern Sakhalin over an area of one thousand square versts, which must be allotted within a year from the date of the conclusion of concession agreements, and if, as a result of such exploration work by the Japanese, oil should be located, a concession for the exploitation of 50 per cent of the oil-field area thus established will be granted to the Japanese.

3. The government of the Union of Soviet Socialist Republics agrees to grant to Japanese concerns recommended by the Japanese government concessions for the exploitation of coal deposits on the western shore of Northern Sakhalin over a definite area, which is to be established by concession contracts. The government of the Union

of Soviet Socialist Republics further agrees to grant to such Japanese concerns concessions for coal mining in the Dui district over an area to be established in the concession contracts. As regards coalfields situated outside the definite area mentioned in the previous two sentences, it is also agreed that should the government of the Union of Soviet Socialist Republics decide to offer them on concession to foreigners, Japanese concerns will be given equal rights in regard to such concessions.

4. The period of the concessions for the exploitation of oil and coal fields, as set forth in the previous paragraphs, is to be established for 40 to 50 years.

5. As payment for the above mentioned concessions Japanese concessionaires will turn over annually to the Government of the Union of Soviet Socialist Republics—in the coalfields, from 5 to 8 per cent of the gross output; in the oil-fields, from 5 to 15 per cent of the gross output. It is proposed that in the event of striking oil gushers, the payment may be increased to 45 per cent of the gross production.

The percentage of production thus to revert as payment will be finally determined in the concession contracts, it being subject to change in accordance with the scale of annual production by a method to be established in the above mentioned contracts.

6. The said Japanese concerns shall have the right to cut timber necessary for the needs of the enterprise, and to erect various structures to facilitate communication and transportation of materials and products. The details in connection therewith will be stipulated in the concession contracts.

7. In view of the above mentioned rental and taking into consideration the unfavorable conditions, in which the enterprises will be placed owing to the geographical position and other general conditions in the said regions, it is agreed that there will be a duty-free import and export of all articles, materials and products necessary for such enterprises or produced in the latter, and that the enterprises will not be subject to such taxation or limitations as would actually make profitable exploitation impossible.

8. The government of the Union of Soviet Socialist Republics will provide for the said enterprises all reasonable protection and facilities.

9. The details in connection with the aforementioned articles will be stipulated in the concession contracts.

The present protocol is to be considered ratified with the ratification of the convention regarding the basic principles of inter-relations between the Union of Soviet Socialist Republics and Japan as signed this date.

In witness whereof the respective representatives have signed the present protocol in duplicate, in English, and have affixed thereto their seals.

Drawn up in Peking, this twentieth day of January in the year One thousand nine hundred and twenty five.

(Signed)
(Signed)

L. KARAKHAN
K. YOSHIZAVA

Upon signing this day the convention regarding the basic principles of inter-relations between the Union of Soviet Socialist Republics and Japan, the undersigned representative of the Union of Soviet Socialist Republics has the honor to declare that the recognition by his government of the validity of the Portsmouth treaty of September 5, 1905, in no way signifies that the government of the Union shares with the former Tsarist government the political responsibility for the conclusion of the said treaty.

Peking, January 20, 1925.

(Signed)

L. KARAKHAN

Note of Karakhan to Yoshizava

Peking, January 20, 1925.

Mr. Ambassador:

I have the honor to declare in the name of my government that the government of the Union of Soviet Socialist Republics agrees that the work which, as stated in the memorandum handed to the representative of the Union of Soviet Socialist Republics by the Japanese representative on August 29, 1924, is now being carried on by Japanese in Northern Sakhalin on the oil-fields as well as on the coalfields, should be continued until concession agreements are concluded, this to take place within five months from the date of complete evacuation of Northern Sakhalin by Japanese troops, provided the Japanese conform to the following conditions:

(1) The work is to be continued strictly in accordance with the data of the above mentioned memorandum of August 29, 1924, in regard to area, number of workers engaged and experts, machinery equipment and other conditions set forth in the memorandum.

(2) The output of oil and coal cannot be exported or sold and may be utilized only for the needs of the staff and equipment engaged in the said work.

(3) The permission given by the government of the Union of Soviet Socialist Republics for the continuation of work will have no influence on the stipulations of the future concession contracts.

(4) The question of using the Japanese wireless telegraph stations in Northern Sakhalin is deferred for future decision and will be regulated so as to concur with the existing laws of the Union of Soviet Socialist Republics which prohibits the installation of private and foreign wireless telegraph stations.

I take this opportunity to assure you, Mr. Ambassador, of my complete esteem.

(Signed)

L. KARAKHAN

Note of Yoshizava to Karakhan

Peking, January 20, 1924.

Mr. Ambassador:

I have the honor to confirm receipt of the following note from Your Excellency of this date:

[A repetition of Karakhan's Note follows]

In the name of my government I have the honor to declare that the Japanese Imperial Government is fully in accord with the said note.

I take this occasion to assure you, Mr. Ambassador, of my complete esteem.

(Signed)

K. YOSHIZAVA

NOTE-ENCLOSURE

Upon signing this date the convention regarding the basic principles of inter-relations between the Union of Soviet Socialist Republics and Japan, the undersigned representative of the Union of Soviet Socialist Republics herewith has the honor to express to the Japanese government sincere regrets regarding the Nikolayevsk incident of 1920.

Peking, January 20, 1925.

(Signed)

L. KARAKHAN.

Ratification Telegrams Between Tchitcherin and Shidehara

In connection with the ratification of the Soviet-Japanese convention the following telegrams were exchanged between the Foreign Offices of the Soviet Union and Japan:

Tchitcherin, People's Commissar for Foreign Affairs, Moscow, to Shidehara, Minister for Foreign Affairs, Tokyo (Moscow, February 21):

"On February 20 the Government of the Union of S. S. R. ratified the convention covering the basic principles of the interrelations between the Union of Soviet Socialist Republics and Japan. In advising you of this, I avail myself of the occasion to express the assurance that the friendship of the two peoples, fortified by this agreement, will henceforth broaden and deepen on the basis of the principles enunciated in the convention."

Shidehara, Minister of Foreign Affairs, Tokyo, to Tchitcherin, People's Commissar for Foreign Affairs, Moscow (Tokyo, February 23):

"I beg you to accept my sincere thanks for the welcome advices communicated in your telegram. I heartily share your confidence that the friendly relations between our two countries will strengthen and deepen on the basis of the principles set forth in the convention recently signed at Peking. I hope for a speedy exchange of ratifications of the convention."

Shidehara to Tchitcherin (Tokyo, Feb. 25):

"Permit me to inform you that the basic convention recently concluded in Peking between Japan and the Union of S. S. R. has been ratified today by Japan. Nothing can give me greater pleasure than the thought that amicable neighborly relations between our two peoples are again officially reestablished and now firmly consolidated."

Tchitcherin to Shidehara (Moscow, Feb. 25):

"Your telegram with advices of Japan's ratification of the basic convention between the two countries, already ratified by our Government, afforded me profound gratification. Accept my assurances that the notification will be sincerely appreciated by our people and that your satisfaction at the restoration of friendly and neighborly relations between the two countries is fully shared here."

Ratification of the Soviet-Japanese Convention

The Soviet-Japanese Convention became effective on the 26th of February at two o'clock in the afternoon upon the exchange of ratifications between Mr. Yoshizava and Mr. Karakhan in Peking.

Evacuation of Sakhalin

The Tokio correspondent of the Russian Telegraph Agency ("Rosta") reports that the evacuation of Sakhalin by the Japanese troops began on the 27th of February.

During the discussion of the supplementary budget by the Commission of the Lower Chamber the Vice-Minister for Foreign Affairs while replying to a question declared that the exchange of ambassadors by Japan and the U. S. S. R. will take place after the evacuation of Sakhalin, i. e., in the middle of May.

Congratulations from the Afghan Government

On occasion of the signing of the Soviet-Japanese Convention, Mr. Mahmud Tarsi, the Afghan Minister of Foreign Affairs, conveyed congratulations to Mr. Stark, Diplomatic Representative of the U. S. S. R., in the name of the Afghan Government. In his note Mr. Tarsi expresses the opinion that the Soviet-Japanese Treaty will serve as a pledge for the future prosperity of the U. S. S. R. and the fulfillment of Lenin's ideas on the mutual support and cooperation among the peoples of the East. The note ends with the statement that "under the influence of the liberty-loving aspirations of the great Government of the U. S. S. R. the ties of friendship and union among the peoples of the East are growing stronger every day."

In his response Mr. Stark expressed his gratitude for these friendly feelings and confirmed the unshaken loyalty of the Soviet Government to Lenin's policies, directed toward the establishment of friendship and cooperation between the U.S.S.R. and the peoples of the East.

Soviet-Chinese Relations

The Peking correspondent of the Russian Telegraph Agency reports that in his reply to the note of the Chinese Ministry for Foreign Affairs protesting against leaving the Portsmouth Treaty in force under the Japanese-Soviet convention, Mr. Karakhan declares that the protest would have been timely if it had been made twenty years ago; while at present the rights conceded to the Japan-

ese Government by the Tsarist Government remain valid in virtue of direct agreements between Japan and China. Mr. Karakhan further declares in his reply that he would welcome such a protest, if it were directed toward the protection of the Chinese interests, but in this particular case such a protest is only bound to convey to the Chinese people the erroneous impression that the Soviet Government could violate the rights of China while, in reality, the Soviet-Japanese Convention does not affect in any way the interests and sovereignty of China.

Karakhan's Protest Against White-Guard Detachment in China

On February 25 Mr. Karakhan, Plenipotentiary Ambassador of the Soviet Union at Peking transmitted an energetic note of protest to the Chinese Minister for Foreign Affairs with reference to the presence on Chinese territory of a White-Guard detachment known under the name of the "First Russian Mixed Brigade," commanded by Nechayev, a former Tsarist officer, and operating between Shanghai and Nanking.

"The Chinese Government," the note declares, "pledged itself to discard the services of subjects of the former Russian Empire holding posts in its army and police force. The military White-Guard organization represents a serious danger and constrains the Government of the Union of S. S. R. to protest against it. After friendly relations have been restored between China and the Union of S. S. R., it is strange in the highest degree that the Chinese Government continues to maintain armed organizations hostilely disposed toward the Union of S.S.R. The Chinese population, exposed to pillage and ruin on the part of this detachment, puts the responsibility upon the Government of the Union of S. S. R. Furthermore, the existence of such a detachment on the Chinese territory reacts unfavorably upon the amicable relations between the two countries. The Chinese people will themselves feel relieved after the expulsion of this band, which only protracts the domestic strife in China."

In conclusion the note demands the immediate disarming and dispersion of the White Guards.

Litvinov on Ebert's Death

The following telegram was sent by the Acting Commissar for Foreign Affairs of the U. S. S. R., Mr. M. Litvinov, to the German Minister for Foreign Affairs, Mr. Stresemann: "I have just received a report of the death of President Ebert. I hasten to express in the name of the Soviet Government and in my own our deep sympathy on the occasion of the loss of this fervent supporter of Soviet-German cooperation. The report of Ebert's death will be communicated to the members of the Soviet Government, including Tchitcherin, who are on their way to Tiflis."

Cultural Life in the Soviet Union

The Press in the Soviet Union

THE following data on the situation of the press in the Soviet Union have been supplied by the Joint Information Bureau of Moscow, which plans to issue monthly reviews on the condition of the Soviet newspaper field.

The present article gives statistics applying to the 1st of October, 1924, as compared with the preceding months. The first table shows the number of papers and the total copies printed on October 1, 1924:

Region	Number of Newspapers		Total	Daily Circulation
	Provincial	County		
Moscow.....	41	—	41	1,925,631
	(including the Capital)			
Leningrad.....	16	—	16	374,759
Rest of Soviet Russia proper.....	193	125	318	963,931
Ukrainian, White Russian and Transcaucasian Republics....	143	61	204	844,516
Total.....	393	186	579	4,108,837

From this table it is observed that the provincial papers constitute 67.8 per cent of the entire

number, the remainder of 32.2 per cent being county papers. The Autonomous Republics and Areas account for 35.3 per cent of the total. The percentage distribution of the daily circulation is as follows: central organs (Moscow, Leningrad)—60.3 per cent; provincial—39.7 per cent, the latter figure including the 18.3 per cent that fall to the share of the Autonomous Republics and Areas.

The average number of newspapers and the total copies printed during September and October are given in the next table:

Month	Number of Newspapers		Total	Circulation
	Provincial	County		
September.....	385	181	566	3,666,566
October.....	393	186	579	4,108,837

The number of papers grew by 13 (2.3 per cent), while the circulation increased by 442,271 (12.6 per cent).

The following table groups the papers according to classes and separates them into two language divisions, those printed in Russian and those printed in tongues of Soviet Union nationalities other than Russian:

Region	Printed in the Russian Language										Printed in Languages of Soviet Union Nationalities other than Russian				
	Leading	Workers'	Peasant	Mixed	Trade Union	Cooperative	Military	Communist Youth	Miscellaneous	Leading	Workers'	Peasant	Communist Youth	Others	
	Moscow.....	3	2	4	—	3	1	3	1	14	—	3	2	—	—
Leningrad.....	1	2	1	—	2	1	2	2	3	—	2	—	—	—	
Rest of Soviet Russia proper.....	28	38	118	31	3	7	7	36	3	3	1	13	4	11	
Ukrainian, White Russian and Transcaucasian Republics.....	18	13	16	17	5	6	3	20	7	9	12	43	12	23	
Total.....	50	55	139	48	23	15	15	59	27	17	18	63	16	34	

The most important groups are: papers in tongues of Soviet Union nationalities other than Russian—148; peasant papers (in the Russian language)—139; Communist Youth papers—

59; workers' papers—55; and leading papers—50.

The table below records the numerical changes in the various classes of papers from September to October:

Month	Printed in the Russian Language										Printed in Languages of Soviet Union Nationalities other than Russian				
	Leading	Workers'	Peasant	Mixed	Trade Union	Cooperative	Military	Communist Youth	Miscellaneous	Leading	Workers'	Peasant	Communist Youth	Others	
September.....	54	53	126	58	23	14	15	55	26	14	18	60	18	32	
October.....	50	55	139	48	23	15	15	59	27	17	18	63	16	34	

Here a tendency toward the development of Soviet papers is clearly revealed. The peasant papers increased from 126 to 139. This gain did

not consist entirely of new publications. Their number grew partly at the expense of the mixed papers, six of which were transformed into purely

peasant publications, and partly by means of seven newly established peasant papers. The newspapers in tongues of Soviet nationalities other than Russian increased by six. The Russian papers for Communist youth grew by four. The remaining groups, although they show small fluctuations, must nevertheless be considered stationary.

In concluding the review of the above figures it should be remarked that the data from the outlying republics, such as those of Transcaucasia, Central Asia, and also the Ukraine, are subject to delay and incompleteness, so that the total number of papers, as well as their circulation in the various republics and districts, may be regarded as higher in fact than the adduced statistics indicate.

In the newspaper system of the Union of S. S. R. the papers devoted to the purely working-class reader occupy a prominent place. The following figures illustrate the growth of the workers' press:

Month	Number of Papers	Total Circulation
April 1, 1923.....	43	462,000
March 1, 1924.....	46	665,000
April 1, 1924.....	68	710,000

The slow increase in the number of publications is explained by the fact that approximately up to the middle of the year 1923 the total quantity of workers' papers created had already covered the needs of the Soviet Union to satiety.

The marked advance of 48 per cent in the number of publications and of 8.4 per cent in the total circulation between March 1 and April 1, 1924, is due to the fact that previous to that time there had not been in existence any special workers' press among the papers of the non-Russian nationalities of the Soviet Union. The workers' press had existed among these nationalities only in the form of columns on "workers' life," "trade union activities," etc., in the general press. After it was decided to push the development of the press of the non-Russian Soviet nationalities, the growth of the workers' press was characterized not only by an increase in general figures, but also by its development in the tongues of the non-Russian nationalities.

The following table shows the progress of the workers' papers during the year 1924:

Month	In Russian	In Non-Russian Tongues	Total
April.....	52	16	68
May.....	54	18	72
June.....	54	17	71
July.....	55	17	72
August.....	57	17	74
September.....	53	18	71
October.....	55	18	73

The various regions of the Soviet Union rank as follows with respect to the number of workers' papers in each:

Published in Russian		Published in tongues other than Russian	
Region	Number	Region	Number
Central Industrial.....	14	Transcaucasia.....	5
Siberia.....	8	Moscow.....	3
Ural.....	6	Ukraine.....	3
Ukraine.....	6	Leningrad.....	2
Autonomous Areas and Republics.....	4	White Russia.....	2
Northeast and Northwest.....	3	Ural.....	1
Southeast.....	3	Autonomous Areas and Republics.....	1
Moscow.....	2		
Leningrad.....	2		
Middle and Lower Volga.....	2		
Transcaucasia.....	2		
Far-Eastern.....	1		
Total.....	53	Total.....	18

The total and individual circulation of the workers' press has attained huge dimensions. The volume continues to grow from month to month, although latterly a certain retardation may be noted in its development.

The total circulation of the workers' papers has been as follows:

	Copies
In April, 1923.....	462,000
March, 1924.....	625,000
April, 1924.....	710,588
August, 1924.....	865,475
September, 1924.....	837,724

The turning point in the development of the circulation was the beginning of the year 1924. At that time the policy of strict differentiation in newspaper functions made its way to the outlying localities. And, as the entire appearance, contents, and internal organization structure of the papers was adjusted to the demands of a specially limited circle of readers (the factory and mill masses), a remarkably sensitive reaction of the latter was noticeable toward this policy of newspaper specialization.

Accordingly the expansion of the circulation is the result of the firm policy of differentiation and specialization. The latter therefore acquires a particularly vital importance in current practice.

In the 1924 issue of "Data on the Situation of the Press in the Union of S. S. R." (published by the Chief Bureau for Political Education), where detailed information is presented about the press, it is shown that on the basis of statistics of printings in April, 1924, the distribution of newspapers amongst the working masses averages one copy to each five workers for the entire country, and one copy to every three workers in the capital cities and principal centers. This conclusion was true up to April, 1924, but it must now be supplemented. At the present time it may confidently be asserted that the distribution of newspapers amounts to one copy to each three workers in all provinces, and not alone in the most important regions.

The workers' papers are divided into provincial and county papers with respect to the territory they cover. In April, 1924, the relation of these two classes was as follows:

Number of Newspapers			Number of Copies Printed		
Provincial	County	Total	Provincial	County	Total
26	26	52	642,245	67,843	710,588

This relation has been approximately preserved up to the present day.

The county (*uyezd*) workers' press has attained a large distribution in certain localities. This is sufficiently illustrated by a number of papers in the counties of Moscow Province. However, this cannot be said of the whole system of the county press. The circulation of the county press constitutes approximately one-tenth of the total circulation of the workers' press. The total number of provincial and county papers is about the same. On the average each county newspaper has a printing of some 2,500 copies per issue.

The Moscow "Kamerny" Theater

DECEMBER 29, 1924 marked the end of the first ten years of the existence of the Moscow Kamerny Theater. In the course of this period the Theater gave thirty different presentations. During the entire period A. Y. Tairov was director and stage manager of the theater. Among the actors and actresses who appeared in these performances, chief attention is deserved by A. Koonen, Uvarov, Arkadina, Tseretelli, Ferdinanova, and many others.

Even at the moment of its birth, the Kamerny Theatre began to swim against the current, in fact, this theater was a protest against the declining realism which prevailed in the Russian theatres of that day. Its watch-word, as opposed to the mere presentation of actual things, was a theatricalization of the theatre, the creation of new aesthetic laws of dramatic action.

In its struggle with the declining realism of that time, the Kamerny Theatre no longer considered it necessary to present the individual, petty, every day man, but rather to attempt to portray in its own ways the heroes and demi-gods of ancient tragedy. The new heroes of the Kamerny Theatre were of interest chiefly as persons incorporating a unified system of elevated philosophical ideas. This tendency of the Kamerny Theatre was expressed, on the one hand, in its repertoire, in which the decadent realistic dramas of the time (Andreyev, Artsybashev), were contrasted with the heroic repertoire of the classics. Thus, the Kamerny Theatre laid stress on Kalidasa (*Sakuntala*), Calderon (*La Vida es Sueno*, "Life is a Dream"), John Millington Synge (*The Playboy of the Western World*), Goldoni (*Il Ventaglio*, "The Fan"), and many others. On the other hand, the tendency to create not a theatre of every day life, but a theatre of powerful passions, was expressed even in the technical

method of the actor's playing. While the performance of an every-day drama by no means required greatness of gesture, perfection of pose or beauty of body, these things have now acquired an immense importance.

The Kamerny Theatre was one of the first that made the actor turn his back on physical weakness and the inability to control his body, and induced him to give his attention to physical health, to work upon his bodily resources, to indulge in a general training. Great importance was therefore assigned in the activity of the Kamerny Theatre to rhythmic, the ballet, fencing, acrobatics, juggling. As opposed to the experience of the past, it aimed to create an actor for a synthetic theatre, an actor who would be able all by himself to play in drama, tragedy, comedy, pantomime, farce, opera, operetta, and having the ability also to sing and dance.

The Kamerny Theatre is not a mimic but a plastic theatre. In the actor's performance in this theatre, not only his face and his hands participate, but his whole body also. Tairov put an end to the formerly chaotic human motions, and created his own special, elastic, spiral types of gesture. Recognizing the importance of the actor's body, the Kamerny Theatre introduced an entirely distinct type of costume, not impeding the motions of the body, but emphasizing and favorably shading those motions. Already in the first performance (*Sakuntala*), this principle of the exploitation of the human form was applied. The cult of the actor's body also had its effect in the repertoire of the Kamerny Theatre. In this repertoire, in addition to tragedy, there are also harlequinades, in which this cult found its fullest expression. To this class belong "The King is a Harlequin," "The Box of Playtoys," "Princess Brambilla," "Signor Formica," and many others. The tragedies and harlequinades, as opposed to the previous types of plays, the contents of which were rather vague, are two clear and distinctly opposite poles, between which the scenic activity of the Kamerny Theatre fluctuates; in them the favorite heroes are always persons of both strong emotions and great capacity for self-control.

The guiding lines of the Kamerny Theatre were distinctly expressed in 1916-17 when I. Annensky's tragedy, *Famira Kifared* was first performed. In this presentation rhythm was particularly emphasized as the fundamental principle of the actor's performance. And it was to rhythmic laws that the theatrical actions were subordinated, instead of to the laws of every day life, which had formerly been the rule. At the same time, the rhythmicization of the theatre was one of the most effective means towards a heroization of the theatre, towards the introduction of beauty and strength into human words and motions, which had formerly been scattered and haphazard in character. From this time on, rhythm has been

the backbone of the presentations of the Kamerny Theatre. One of the principal tasks of the stage manager, in Tairov's opinion, is his ability to make the spectator feel the rhythmic pulse of the drama, its melody and harmony. The impression of the performances of the Kamerny Theatre is very much akin to the impression made by music—the words, gestures, sounds, and even the extensive motions, all being subject to the law of rhythm.

In connection with the struggle against the mere imitation of petty every-day life, the Kamerny Theatre began to make use of a singing style of recital instead of the former speaking style. It eliminated all everyday, realistic conversations, with their frequently inarticulate sounds and their psychological pauses. The unnatural, conventionalized, poetic reading of the lines by the actors of the Kamerny Theatre had the aim chiefly of expressing the beauty and splendor of speech.

It is quite consistent therefore that the chief psychological principle of acting in the Kamerny Theatre should be not a "living through the part," but the expressing of it.

In the tragedy *Famira Kifared* for the first time the three-dimensional system was used in the field of stage management, which later led the Kamerny Theatre in the direction of "constructivism." The principle of theatrical constructivism is to create not a flat picture but a solid plastic scene. The stage is not to be a frame for beautiful pictures as has hitherto been the case, but a mechanism fully capable of exhibiting in the most perfect manner the actor's body.

The presentation in 1922 of *Girofle-Girofla* was the turning point in the history of the constructivist theatre. One of the main principles of this theatre was economy in the utilization of theatrical resources. The haphazard flat surfaces and angles completely disappeared, as well as all superfluous ornamentation. The playing of the actors was based on constructivist devices; revolving tables, folding chairs and rocking chairs, opening trap doors, etc.

In *The Man Who Was Thursday* (a performance toward the end of 1923), a system of lifts and electric signs was made use of, as well as a lifting crane together with collapsible rooms and a rising floor.

All the activity of the Moscow Kamerny Theatre may be characterized as a struggle for the formal side of the theatrical art in the direction of a theatricalization of the theatre. In this tendency toward theatricalization the Kamerny Theatre has been a great help, but herein also lies its weakness from the standpoint of the demands made on the theatre by the present day. Purely formal attainments no longer satisfy the present day spectator. He demands a synthesis of form with a social and ideological content. In the latest performances of the Kamerny Theatre there is already found a tendency to approach the present day demands in this connection.

The Ars Asiatica Museum

THE Ars Asiatica Museum was established in Moscow by the Department of Education thru its "Section for Museums and for the Preservation of the Monuments of Art and Antiquities."

This museum was in operation during the Fall of 1919, throughout the year 1920, and the Summer of 1921. The Museum during this period carried on educational work in its field of knowledge, consisting of the giving of lectures on oriental art and the conducting of excursions for visitors. In 1920 an exhibition of Japanese woodcuts was given by the Museum, in which connection lectures were also delivered.

At present the Museum has about three thousand catalogued specimens in two divisions: the Near East and the Far East. In the Near East Section exceptional interest attaches to the collection of faïences, in the form of vessels, tiles, and fragments of such, including one hundred specimens in all. This most valuable form of Mussulman ceramics is represented with great completeness; there are chandeliers of various shades, as well as polychrome objects, with decorations in painting or relief, representing persons and animals surrounded by vegetable and geometric ornamentation.

The Museum collection of tapestries is quite varied: Persia, the Caucasus, Central Asia, Chinese, Turkestan, all are represented, some of the specimens going back as far as into the Seventeenth Century. In addition, the Near East Section possesses lacquers, objects of metals, etc.

The Far East Section has an extensive collection of Chinese ceramics, some of the specimens of which are from the Sung Dynasty. In the various periods the fullest representation is that of the single-color and two-color ceramics: porcelain, white and blue, "sprinkled cobalt," etc.

The collection of Japanese woodcuts in the Museum amounts to several hundred prints of the Eighteenth and Nineteenth Centuries, with splendid specimens from the period of the culmination of the art in the second half of the Eighteenth Century.

In the Far East Section bronzes are also represented (among which are ancient bronze mirrors), semi-precious stones (nephrite, chalcedony, etc.), lacquers, fluted and cloisonné enamels, as well as painted enamels, ivory carvings and wood carvings (among them a huge ancient sculpture of wood), etc. The museum is valuable not only owing to the quality and variety of its contents, but also by the possibility afforded by the latter to compare the various forms of the arts.

As is well known, the artists of the Orient, working in the field of the graphic and plastic arts, in some cases contributed drawings for tapestries, textiles, lacquers, etc., as a result of which a comparison of the various forms and techniques of oriental arts has now become of great significance for industry.

Miscellaneous News

Death of Nariman Narimanov

The death of Nariman Narimanov, recently reported in the newspapers, deprives the Soviet Union of an interesting and outstanding figure in political and literary spheres. Besides having risen to high political rank as one of the four Presidents of the Central Executive Committee of the Soviet Union by virtue of his leading position in the public life of the Transcaucasian Soviet Federation, Narimanov has long been known as a writer of great charm and distinction in the Tartar tongue. His novels, in which he first raised his voice against the national dissensions among the Oriental peoples, rendered him the foremost pioneer of modern ideas in the Near East. It is a touchingly tragic circumstance of his death that he passed away shortly after a nation-wide celebration in honor of his completion of thirty years of public and literary activity.

Currency in Circulation

The following data regarding the volume of money in circulation throughout the Union of S. S. R. were supplied by Mr. Karklin, Director of the Currency Administration, in the course of an interview with a correspondent of the "Financial Gazette" early in February.

On January 1, 1925, the circulation of bank-notes issued by the State Bank totaled 410,832,000 gold rubles, but had decreased to 373,270,900 gold rubles by February 1, owing chiefly to the close of business season for many classes of raw materials and to the slowing up in the rate of grain purchases in a number of regions. These bank-notes constituted 55.3 per cent of all the currency circulating in January and 51.9 per cent in February.

The circulation of treasury bills increased about 2 per cent in February. The total quantity of this medium was 229,148,400 rubles in January and 233,638,000 gold rubles in February, making up 30.9 per cent and 32.5 per cent respectively of all the money in circulation during the two months in question.

During January silver money of all denominations circulated in the amount of 73,550,500 rubles, i.e., 9 per cent of all the currency in circulation; and this aggregate rose to 83,478,500 rubles in February, i.e., 11.6 per cent of the total currency in circulation.

The copper money in circulation during January amounted to 1,819,900 rubles, constituting 0.2 per cent of the total currency; while in February it was 2,031,300 rubles, making up 0.3 per cent of the total currency.

The amount of small change paper tokens circulating in January was 27,797,900 gold rubles,

i.e., 3.7 per cent of all the money in circulation. During February this figure dropped to 26,275,000 rubles, i.e., 3.6 per cent of the aggregate monetary circulation, owing to additional issues of copper and silver coins.

The combined volume of bank-notes, treasury bills, small change paper tokens, and silver and copper coins in circulation on February 1 was 718,693,700 gold rubles as against 742,648,700 gold rubles on January 1.

In addition to this there were in circulation short term obligations of the Central Treasury, amounting to 56,012,000 gold rubles in February, as against 53,143,200 gold rubles in January.

Mr. Karklin stated that the Currency Administration would place no further coinage orders abroad. The last lots of Soviet metallic currency coined abroad (20,000,000 rubles in silver and 2,000,000 rubles in copper) were recently received and are being put into circulation. The Leningrad Mint has now systematized its operations and is prepared to work according to schedule, so that it will be able to take care of all new coinage requirements.

In view of the improvement in the efficiency of the Leningrad Mint the People's Commissariat for Finances has given it an order for the coinage of new gold chervontsy. The face of the new gold chervonets will bear the figure of a sower and the reverse will show the letters U.S.S.R. together with the motto: "Proletarians of All Countries, Unite!" It is planned to coin the entire gold reserve of the State bank into chervontsy.

Proposed Decree on Unified State Grain Inspection

The Council of People's Commissars has approved the proposed decree on the unified State grain inspection. The inspection service has been made uniform throughout the territory of the Union of S. S. R. and has been placed under the direct administration of the People's Commissariat for Domestic Trade.

The function of the inspection service consists in technical supervision over the quality of grain that is to be sold for domestic consumption or is to be exported abroad.

The inspection service will have its organs at the ports from which grain is exported and at railroad junctions and points through which large grain shipments pass. Each year the People's Commissariat for Domestic Trade will extend its net of grain inspection points.

All disputes with the inspection service as to the examination and classification of grain will be settled definitely by grain arbitration commissions.

Factories of the Central Union of Flax Growers

Three new factories of the Central Union of Flax Growers were scheduled to start operations during the latter part of January. The equipment of these factories had been almost completed. The joint production capacity of the three factories is 44,000 poods per season.

At present the Central Union of Flax Growers is planning the construction of flax-working factories at new points. Two big factories will be constructed, with an individual output capacity of 20,000 poods of fibre per season. Four smaller factories with an individual capacity of 10,000 poods of fibre per season will also be built. The following locations have been selected for the factories: For the two large factories, Rzhev and Byezhetzk; for the smaller factories, Kostroma, Soltsy, Glazov and Likhoslavl.

Besides this, the Central Union of Flax Growers is entering upon the construction of six flax-working branches with a total producing capacity of 18,000 poods of fibre a season.

Building operations on all the new factories were to begin in February so that the plants might commence operations at the opening of the next season.

Public Libraries in Leningrad

The report of the Russian Public Library in Leningrad for 1924 shows that the increase noticed in the number of readers in 1923 continued during 1924 with the same intensity. The total number of readers has risen to 351,230, and the number of volumes taken out was 914,653 which in comparison with the year 1923 shows an increase of 100 per cent.

In order to serve all of its readers, the management has had to increase the library hours to 13 on week days and 7 on holidays.

During 1923 and 1924 the library added 27,913 works to its shelves, the number of volumes being 34,046. The library was supplemented with 1,096 books and 12,785 periodicals received from abroad.

Workers' Colleges

According to the data for January, 1925, the network of the Evening Workers' Faculties (Workers' Colleges), the higher technical schools and courses in the Ukraine has increased by 12 per cent during the current year in comparison with last year.

More than 16,000 workers are attending these schools; 35 per cent of them are above the age of 23.

In addition to this, the system of workers' courses will shortly be doubled in view of the great influx of students.

In order to train skilled workers, vocational schools for workers will be opened soon, first in the Donez Basin, and in the provinces of Ekaterinoslav, Kharkov and Odessa.

Pensions for the Teachers of the U. S. S. R.

The Central Executive Committee and the Council of People's Commissars of the U. S. S. R. have decided to establish pensions for educational workers, on the following basis, beginning with the first of January, 1925.

The right to a pension is possessed by the teachers of all primary schools, rural as well as municipal, and also by managers of reading cabins, librarians, teachers of primary agricultural schools and pedagogic personnel of children's homes after serving in the above-mentioned positions for a period of 25 years.

In determining the right to a pension, pre-revolutionary service is also counted.

Persons entitled to a pension but remaining in service get one-half of the pension due them, irrespective of the amount of their salaries.

Pensions are fixed at 240 gold rubles a year.

The payment of pensions goes into effect on the first of January, 1925.

Livadia—a Health Resort

On the shores of the Black Sea, in Crimea, there is a place called Livadia, built by the last Tsars of the Romanov family. This place contains two palaces, one large and one small, and a number of buildings situated around the palaces, in which during the Tsarist days were lodged the local administration and the servants of the imperial family. In addition to this large tracts of surrounding land with a vast park and vineyards belong to the place. The palaces of Livadia are famed for their gorgeous luxury.

After the expulsion of Baron Wrangel from Crimea, these Tsarist palaces were turned over to the Commissariat for Education to be preserved as historical monuments, while the rest of the town property was transferred to the jurisdiction of the Crimean Commissariat for Agriculture.

Some time ago the question was raised in the Small Council of People's Commissars in regard to making Livadia a health resort for workers, utilizing for this purpose not only the buildings there, but also both imperial palaces; due to its climatic conditions, Livadia is particularly suitable as a health resort.

After a thorough investigation of the question, the Small Council of People's Commissars found that it would be suitable to use Livadia as a health resort for workers, and presented this question for discussion to the Council of People's Commissars of the Russian Socialist Federated Soviet Republic. The Council decided unanimously on the necessity of utilizing all the houses including the two imperial palaces as health resorts for peasants. The Council further entrusted to the Commissariats for Education and for Agriculture the working out of the necessary measures for protecting and preserving the valuable historical monuments to be found in the palaces.

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Official Reports of Rykov and Tchitcherin

Domestic and International Situation of the Union of Soviet Republics

Vernacular Literature of Non-Russian Races in the Soviet Union

Placard Newspapers in the Soviet Union

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Internal Situation of the Soviet Union

(In the preceding issue the "Russian Review" printed the resolution adopted by the Third Session of the Central Executive Committee of the Soviet Union with reference to the general policy of the Soviet Government. The following is the speech delivered on March 4 by Mr. A. I. Rykov, Chairman of the Council of People's Commissars on the internal situation of the country and the policy of the Government.)

THE internal situation of the Soviet Union at the present time is characterized by the following factors:

In the first place, the country's steady economic rise has revealed itself with complete clarity. Our economic policy, based upon the development of commercial and monetary relations, has already yielded directly perceptible positive results in the field of urban and rural economic reconstruction.

In the second place, this uninterrupted economic advance is evoking a considerable complication of the whole political and economic status and is creating new concrete difficulties in the matter of coordinating the individual, vigorously growing parts of our economic life, and in the matter of its regulation and direction. This stage in the development of the new economic policy materially complicates the task of the Party and the Soviets in the field of national economy.

In the third place, in conjunction with all the above-mentioned facts the old question of the interrelations between the workers and peasants acquires a new physiognomy and exceptional importance. The fundamental principle, lying at the basis of the Soviet's existence—the union of workers and peasants—takes on its own particular, characteristic features at each stage of economic development.

In order to pass on to this central question of our policy, it is first necessary to pause for a general review of the economic results of the expired year; and to stop first of all on the principal basis of all economy—agricultural economy.

What are the fundamental traits of the reconstructive process in the realm of agricultural economy?

The rise of agricultural economy, initiated in the year 1922, continues. Of this there is evidence in the unabating increase from year to year of the sown area, which during the past year reached 80 per cent of the pre-war area for the entire Soviet Union.

The data on the extent of the sown area in separate regions present excellent figures. The sown area of the consuming region* is even higher than the pre-war total; in the Ukraine it has attained

*The name applied to those parts of the U. S. S. R. which do not produce enough grain for the satisfaction of their needs.

97.5 per cent of the pre-war aggregate, and in Siberia 96.1 per cent.

There is a considerable diminution of the sown area in the regions stricken with crop failure.

If there had not been a bad harvest in the year 1921, we would now undoubtedly have an excess of the dimensions of the sown area over the pre-war area.

The expansion of the sown area, while highly indicative of the development of our economy, nevertheless does not characterize in adequate measure the trend of the reconstructive process in agricultural economy.

A distinctive feature of the development of agricultural economy during the past year is the fact that it is more and more producing for the market and that it is changing its structure in the direction of adaptation to market conditions.

This trend of agricultural reconstruction may be illustrated by the fact that in the general extension of the sown area the technical, intensive crops show a larger increase than the grains, while in the group of grain cultures the development occurred especially in those which possess a pre-eminently market importance. Accordingly, the restoration of agricultural economy is following along the line of a swift development of the market and money relations of the rural regions, along the line of the reconstruction of agricultural economy in the direction of intensive cultivation conformably to the market situation.

All the aforesaid tendencies of development in the cultivation of the soil also apply to live-stock raising.

During the time of the imperialist and civil wars the destruction of live stock attained large dimensions. Here are the figures showing the present live-stock situation in comparison with its pre-war condition: In 1924 the number of horses constituted 70.8 per cent of the total for the year 1916, the number of cattle constituted 93 per cent, sheep and goats—83.5 per cent, and hogs—87.5 per cent.

The increase of horses for the expired year equalled 9.9 per cent, the increase of cattle—19.7 per cent, sheep and goats—23.1 per cent, and hogs—84.6 per cent.

The repeated crop failures have hindered a more rapid advance of agricultural economy. Of

course, it would be an error to throw all the responsibility for the bad harvests on the weather conditions.

The crop failures were occasioned by elemental phenomena, but it is possible and necessary to struggle against the elements by a rational conduct of agriculture.

The average annual harvest during the course of the years 1905 to 1914 amounted to 48 poods per dessiatin. For the period from 1920 to 1924 we have an excess over this yield only once (1922 gave 51 poods per dessiatin). In the remaining years the average yield per dessiatin was substantially lower.

This is indicative of the circumstance that agricultural economy has become less steady with respect to the influence of adverse natural phenomena upon it.

In view of the fact that around last year's crop failure and also around the topic of the Soviet Union's temporary transformation from a grain-exporting into a grain-importing country there has been conducted and there is being conducted a rather long discussion and campaign against us on the part of the White Guards abroad, I beg leave to give you some supplementary figures on this question.

Last year's crop failure required additional expenditures. A considerable sum, reaching up to 85 million gold rubles, was disbursed in the struggle against the consequences of the bad harvest. The extent of the crop failure in 1924 is four times smaller than the extent of the crop failure in the year 1921.

A special commission was created by the Government to combat the effects of the bad harvest. The principal task of this commission was the expansion or, at least, the maintenance of the dimensions of the old sown area and the securing of the greatest possible harvest on that area.

Therefore we adopted every measure to provide the peasants with spring and winter seeds. While this work was under way the winter crop outlook took a turn for the worse.

You know that this year is altogether exceptional from the meteorological standpoint. The unsatisfactory weather on the whole reacted adversely upon the winter sowings, a certain amount of which it will be necessary to resow. I have personally spoken with several expert agronomists with regard to the prospects for the coming harvest, but received no definite answer, and it is indeed hardly possible to give one. Spring will decide the question.

Notwithstanding the absence of accurate data on the possible damage to the winter sowings, the Government resolved to take all the necessary preliminary measures for replanting, having set apart 7,499,250 gold rubles for this purpose, i.e., it augmented the spring seed reserve by almost 5,000,000 poods.

The program for the conveyance of seed grain

in the present spring planting campaign has been fixed at a total of 22,556,000 poods. The Government has resorted to very substantial appropriations, for the fate of the entire economic situation during the following year is bound up with the harvest.

The Industrial Situation

The year 1924, having begun with a sales depression, terminated with a merchandise shortage. The steady growth of our industry during the course of the entire year lagged behind the progressively enlarging demand for industrial manufactures.

Industry was not able to throw upon the market as much goods as were needed for the complete satisfaction of the demands of the population.

I shall pause only for a few figures characterizing the development of our industries, the metal industry in the first place.

During the elapsed year industry surpassed on the average 60 per cent of the pre-war output. In the course of one year industrial production grew by almost one-third, this rise taking place unequally in light* and heavy* industries.

In the years from 1919 to 1921 our cast-iron smeltings constituted about 3 per cent of the pre-war total, steel—about 5 per cent of the pre-war figure, and rolled iron—5.5 per cent of the pre-war production. This signified an almost complete standstill of heavy industry.

During the fiscal year 1923-24 cast-iron smeltings reached 16 per cent of the pre-war output, steel production—23 per cent, and rolled iron—20 per cent of the pre-war figure.

However, this substantial jump in the development of our metallurgical industry is still insufficient to meet the growing demand. Therefore, the Government recently gave the Supreme Council of National Economy the right under its own responsibility to expand the production of the metallurgical industry and to increase it by 15 per cent above the program previously confirmed.

This phenomenon—the failure of industrial production to satisfy the market—was still more strongly reflected upon light industry, which is more closely connected with the general consumer and turns its capital over more rapidly than heavy industry.

The most important section of light industry—the textile industry—had attained 68 per cent of pre-war production in October 1924, as against 22 per cent reached in the January-March period of 1921.

The most important factor promoting the rapid growth of the demand for industrial products, is

*As "heavy" industries are to be considered coal mining, ore mining, the metal and electrical industry, while all the other industries are considered as "light" industry, with the exception of the building branches (cement and wood working) which are listed separately.

the monetary reform, which has undoubtedly facilitated the penetration of trade and money relations into the rural districts. Many of the present achievements would have been impossible without the introduction of a firm currency foundation for the exchange of commodities between town and country.

This transformation was also reflected in the fact that the budget was placed on a sound basis.

The Budget

Until quite recently the foreign bourgeoisie could argue against the conclusion of concession agreements and commercial and financial transactions with us on the pretext that everything in our country flies into the abyss of the budget deficit.

Hence, our State budget is a very important problem not only in an economic, but also in a political, sense. Briukhanov and Kuibyshev will report specially on the budget. I shall dwell upon it only in order to illustrate with the aid of data on our budget the rate of the reconstruction process in our national economy.

In the year 1922-23 our budget amounted to 1,332,818,000 gold rubles, and in the following year to 1,917,455,000 gold rubles.

During the year 1924-25 we are witnesses to a very curious phenomenon in the field of our financial economy. The last session of the Central Executive Committee confirmed the tentative budget aggregating 2,091,648,000 gold rubles, and then, after the further elaboration of budget questions, the actual revenues showed an excess of 187,220,000 gold rubles over the tentative budget estimates. The Council of People's Commissars confirmed an increase of the budget by this sum above the projected figures.

A certain time elapsed, and the Budget Commission of the Central Executive Committee to whose examination the budget was entrusted, recognized as feasible an increase of the budget by 81 million gold rubles more.

What does this phenomenon signify?

Our weak point in foregoing years was always the fact that the actual revenues fell short of the estimates and that we curtailed our expenditures from quarter to quarter, from month to month.

We have at last reached a year when we not only do not curtail the budget, but even add to it. It may happen that at the next session we shall have to report to you a new actual surplus of revenues over our forecasts.

Now, here is a circumstance which, it seems to me, is the clearest indication of the economic consolidation of the Soviet Union. This means that our domestic situation is so strong that we have an opportunity to lighten the people's tax burdens.

It must be pointed out, moreover, that in the present budget no recourse whatever has been made to issues of paper money for revenue purposes.

Such a budget growth is possible only on the basis of a general recuperation of our entire economic life, both rural and urban. This renders it possible for us to place the question of the single agricultural tax on an entirely different plane.

The Agricultural Tax

The Federal Council of People's Commissars had decided to lay before the session of the Central Executive Committee of the Union of S. S. R. a project to include the question of the single agricultural tax in the calendar of the session.

We did this for two reasons: first, because the Congress of Soviets has been put off for too distant a time and there was the danger that the legislation on the single agricultural tax might be too much delayed, and, second, because the issuance of a law on the agricultural tax without the participation of the Central Executive Committee, merely by decision of its Presidium and the Federal Council of People's Commissars appeared unsuitable to us in view of the interest of the broad peasant masses in this question.

Due to lack of time the project of the Council of People's Commissars with regard to the agricultural tax, including as its principal feature the decrease of the assessment burden on the rural districts, could be elaborated neither at a special peasant conference nor at the conferences of the local government organs.

I would therefore request the session to accept a supplementary resolution on the organization of a special commission including all peasant members of both Chambers of the Central Executive Committee for the preliminary examination of this question, and to hear the report in the session of the Central Executive Committee itself only thereafter.

The Task of the Government and the Party

In conjunction with the advance of our entire economic life new problems confront us in the realm of industry and agriculture, as well as in our policy with respect to the peasantry.

In the industrial sphere many enterprises have almost exhausted their entire stock of technical equipment, and the insufficiency of this equipment stands in the way of the further expansion of industrial production.

There arises the practical task of such a technical reequipment and renewal of our industry as would permit it to supply the peasants with cheap manufactures.

A number of particular tasks belong here: for example, the possibility of substituting internal combustion locomotives for the usual steam locomotives in transportation.

Here belongs the execution of the electrification plan. During the course of the forthcoming year we shall complete the construction of the first series of our regional electric power stations, among which is the "Volkhovstroy" unit. Already

there are coming up the questions of connecting such rivers as the Volga and the Don by canals, the electrification of the Don region, the building of a Dnieper electric power station and of a system of electric stations on the Svir River, etc. Along with these a practical plan must be elaborated for the construction of new factories and mills.

The accomplishment of these tasks will bring us almost directly in contact with the problem of organizing a socialist society, or at any event, with the problem of creating the material and technical prerequisites for the construction of a socialist society.

Whereas agriculture has formerly outrun industry, this year industry took a mightier forward leap than agriculture.

The Government's chief concern was to safeguard the coming year's harvest at all costs. For this purpose we resorted to all measures, even to the creation of a reserve sowing fund. This was done in order to sustain agriculture and to prevent it from lagging behind.

But in the future agriculture may get into a blind alley in connection with the over-population of the rural regions, the insufficient intensity of agriculture, and the lack of industrial branches auxiliary to agriculture for the manipulation of agricultural raw materials, their storage, exportation, utilization, etc.

The leading point by which it is necessary to be guided in the development of the separate branches of our economic life, is the preservation of the coordination between the development of agriculture and industry, the coordination between the peasant and the worker. It is in this coordination that the mutual bond, the true union between the workers and peasant should make itself apparent.

Contact with the Rural Regions

The economic situation completely alters not only the economic life of the rural regions, but also demands a new political approach to the new phenomena arising in the social life of the country districts.

At the present moment the connection of the peasant and his agricultural activity with city and factory runs along a thousand threads which formerly did not exist at all.

We now have in the rural districts, besides reading cabins, schools, hospitals, etc., still other institutions such as the cooperatives, credit associations, purchasing agencies, machinery associations, etc. In the country regions such facts are materializing as the transition from the old three-field system to the modern system of soil tillage, to advanced methods of farming, etc.

The peasant's political activity has grown up on the basis of the new economic situation in the rural districts which radically differs from the situation prevailing under war-time communism.

The rehabilitation of rural economy carries a large number of complications with it because the laws of capitalist accumulation still conserve their force in the country districts. When we say now, "Eyes toward the rural districts" "More attention to the rural districts"—we say it not because we have "reformed," but because the rural situation is radically changing as compared with previous years.

It is impossible at present to demonstrate by accurate figures the condition of social stratification in the rural districts. The term "kulak" (rich exploiting peasant) is diversely interpreted, and sometimes these varying interpretations lead to serious errors. It is now still difficult to judge correctly the significance of these new phenomena of our rural life, it is difficult to determine the "kulak's" role in the economic and political life of the Soviet rural regions. Only the federal census during the coming year will give us accurate numerical material on the situation in the country districts.

However, in my opinion it is possible even now to point out a number of errors in the interpretation of the word "kulak." Often by "kulak" is understood simply a successful farmer. One of the comrades related that in one village it seems the peasants become kulaks by drawing lots. I do not know whether or not there is a "kulak" lottery, but the very possibility of that sort of tale shows that in this matter things have been carried to extremes.

We must now adopt every measure to reconstruct agricultural economy. Each homestead must be strengthened to such an extent that it will become ten times richer than at present. With the hungry, illiterate and benighted peasant we shall never build any sort of socialism through centuries and centuries. In order to attain this, in order to attain socialism, it is first of all indispensable to restore agriculture at any price.

The mistake in this question arises because up to the present with respect to the rural regions there has been employed for determining the economic level the yardstick of war-time communism, the standard of a period when a substantial majority of the peasantry found itself in extreme want.

This yardstick of war-time communism is now unsuitable, for the entire nation, the whole population has grown much wealthier.

It is necessary to correct the error in applying the word "kulak." With the "kulaks" must be classed only those peasants who live not by their own labor, but at the expense of the toil of other peasants, enslaving them through various sorts of loans, leases, forestalling, etc.

The peasant who works and through the efforts of his family strengthens and rehabilitates his farm, is not a "kulak" and cannot be considered a "kulak." He is the best Soviet husbandman.

In the complex situation created in the rural regions in conjunction with the fact that agriculture is now producing for the market the responsibility of the Soviets and the Party becomes a thousand times greater. The Party and the Soviets are striving to meet the series of new phenomena in the country districts with a series of pertinent measures.

If it were necessary to point out the principal economic aim of all these measures, it would appear to me that first of all we must assume the initiative in assisting the poor and middle strata of the peasantry.

Therefore, the agricultural cooperatives and the agricultural credit societies play an especially important part in the rural districts. This is not only an economic question—it is the biggest question in our rural policy.

Formerly consumers' cooperation stood in first place. Now, in connection with the new developments in rural life first place should be assigned to agricultural cooperative organizations. It is necessary to place at the disposal of this form of cooperatives such resources as to enable them to render real assistance to the peasants.

In addition to this, the cooperatives as well as the Soviets should be transformed into real peasant bodies. It is indispensable to draw the peasantry into these bodies en masse, so that it may participate actively in them and actually take part in their elections. The local Soviets as well as the local cooperatives should become centers for the mass organization of the poor and moderately situated peasants. It is possible to do this, since our population has become considerably richer than formerly.

This question is of fundamental importance for the entire period of the New Economic Policy. If, with the help of the Soviets and the cooperatives we are not able to assist the peasant in reconstructing his farm, if we do not organize him through the cooperative movement and the Soviets, he will have to seek aid elsewhere.

The question of union between the workers and peasants in this complex political and economic situation is completely bound up with the problem of attracting the non-partisan Soviet peasantry to active participation in the work of the entire national administration.

The Attraction of the Non-Partisan Peasants and Workers into Soviet Activities

We now approach that stage in the development of our country when it is less than ever before permissible to think that with the aid of a bureaucracy alone, even the best and most honest bureaucracy and with the aid of our party nuclei further progress in the work of organizing a socialist society may be achieved.

The time has come when the foundation of our party and the foundation upon which we under-

took the active construction of our society, and its economic and political life, must be expanded to such an extent as to attract millions of non-partisan workers and peasants to direct participation in the administrative apparatus.

Only with their support shall we be able to cope with this task.

Rykov on the Soviet Union's International Situation

(Before the Third Session of the Central Executive Committee of the U. S. S. R., held in Tiflis, Mr. A. I. Rykov, Chairman of the Council of People's Commissars, delivered on March 3, the following speech on the Soviet Union's international situation.)

IN view of the fact that Tchitcherin, who is at the helm of our foreign policy, will make a detailed report on the international situation of the Soviet Union, I shall dwell only on the chief features of our international position.

Recognition and Pressure by the Bourgeois Nations

At the present time the international situation of the Soviet Union is characterized by two fundamental features. First, there is a series of recognitions. Up to the present moment the Union of S. S. R. has been recognized de jure by England, Italy, Norway, Sweden, Denmark, Greece, Albania, Mexico, France, Japan, etc. We are carrying on trade with many other countries and have de facto relations with them.

During the elapsed year alongside with this we experienced some difficulties in international policy.

The chain of recognitions shows that it has become impossible for the bourgeois governments to ignore the Union of S. S. R. any further. The recognitions mean that, thanks to the successful termination of the civil war and to our country's economic growth and organization, the European bourgeoisie has lost the possibility of overthrowing the Workers' and Peasants' Government.

With the formation of the Conservative cabinet in England a certain turn for the worse was observed in the attitude of a number of governments toward us. The press even contained reports of attempts to conclude a formal agreement, a formal pact against the Soviet Union. These newspaper reports were not officially confirmed, but where there is smoke there must be fire. Probably, individual statesmen were seeking to test the ground with regard to the possibility of forming a bloc of bourgeois states against the Union of S. S. R.

The establishment of diplomatic relations with France and the ratification of the convention with Japan have in this instance brought to nought the attempt to conclude an anti-Soviet agreement. I mentioned these rumors concerning the organization of a bloc against us, as a warning for those

who may confound the recognitions with the actual international situation of our Union. As yet recognition does not in itself prevent the bourgeois nations from exerting pressure upon us. We are by no means assured against the repetition of attempts at pressure upon the Union of S. S. R. in the future.

These attempts are possible in connection with one of the most acute questions in our foreign policy,—the question of the Tsarist debts. The claims presented to the Soviet Union by the former creditors of the Tsarist government constitute very considerable sums, for which the West-European bourgeoisie may, of course, think it worth to struggle and agitate. Therefore, the possibility of renewed pressure from precisely that quarter is not precluded.

In the East and in the West

Still another circumstance greatly disturbs the foreign governments, and that is the position of the Soviet Union in the East. If the situation of the Union of S. S. R. in the Near and Far East during the course of the past two or three years is compared with the standing of any of the West-European nations in that part of the world, it is apparent that our importance, our influence throughout the East, is steadily rising, while the influence of the bourgeois countries is progressively declining.

Furthermore, there is every sign of an expanding movement for national liberation in the East. This movement sees in our solution of national and colonial questions the realization of its desires, of its aims. Consequently the eastern peoples see in the Soviet Union their friend and ally. This is extremely alarming to the entire capitalist world, whose fate is, to a considerable degree, bound up with the exploitation of the East.

The present situation in Western Europe, notwithstanding the apparent ebb in the revolutionary wave and a certain slowing up in the progress of the workers' movement on the one hand, and despite the relative consolidation of the bourgeois parties on the other hand, can in no sense be regarded as secure.

At the present moment this situation is not only not better, but many times worse than it was before the war. The imperialist war and the Versailles Peace not only did not solve those problems whose solution was relegated to the war, but even aggravated and complicated them. The individual capitalist countries are fighting for markets in exactly the same manner as they did before the imperialist war.

The struggle among them indicates that humanity cannot find within the confines of capitalist society a solution of the questions impeding its development, and renders unlikely the formation of a large formidable bloc against the Soviet Union.

Concrete Achievements of Soviet Foreign Policy

Our concrete achievements in foreign policy are represented by the recognitions and by the increase of our prestige throughout the East. These achievements acquire greater value by the fact that we attained them while reconstructing our economic life, stabilizing our currency, and eliminating paper money issues not only without any assistance, but in the face of active opposition by the bourgeois powers.

At this moment there is hardly a country on the globe which, after an unprecedented disruption of its economic life, could have issued from the imperialist and civil wars with such achievements in the absence of assistance from the rich advanced nations.

Of the various developments in our foreign policy the leading importance, it seems to me, is possessed by the convention with Japan. This convention was recently published in all the newspapers. It has been definitely confirmed and ratified.

What have we attained by means of this agreement? Our friendly relations with China are known to you; after the conclusion of the convention with Japan the Far-Eastern question may be considered settled in the sense that we possess in the East a perfectly peaceful frontier.

You are acquainted with the contents of the convention from the press.

Relations with America

The signing of the agreement with Japan was preceded by the exit of Mr. Hughes in the United States. I do not know whether there is any causal connection here. But even if this is a mere coincidence of dates, nevertheless the conclusion of the agreement with Japan must render very dubious in the eyes of the American public the policy which the United States has carried on for seven whole years with respect to the Soviet Union.

At the end of the seventh year after the November Revolution it proves impracticable to attempt to defend the principle of isolating the Soviet Union. At the present moment the policy of the United States toward the Union of S. S. R. has revealed itself as solitary, the conclusion of the Soviet-Japanese agreement having left America isolated in her policy. The American business circles must comprehend that on the basis of the agreement with Japan our economic and concession relations with the latter country will develop at a very rapid pace, and that thus our influence throughout the Far East will greatly increase.

At the present time the tendency which stands for the opening of negotiations regarding the restoration of normal relations between the United States and the Union of S. S. R., has already begun to grow stronger. It is difficult to predict whether or not just this point of view will soon triumph in the United States, but, it seems to me, we can

only desire that through recognition of our Union, through the establishment of diplomatic relations with us, the United States may enter as fast as possible upon the road to extensive trading and industrial connections with the Union of Socialist Soviet Republics.

Our commercial relations with the United States are growing all the time, despite the absence of diplomatic relations. At the present moment our textile industry is in considerable part operating with American cotton.

Relations with France

Among the questions of our foreign policy with reference to the countries of Western Europe the most immediate is the group of disputed questions that arose upon the resumption of normal interrelations with France. I should accordingly like to give the Central Executive Committee an account of the development of our diplomatic relations with the Government of that country.

With relation to France the Union of S. S. R. is at the present moment not only the object of discussion by the French press, but during the past months we have been informed of quite a number of meetings by French citizens to consider the question of the so-called "indebtedness to France" and the methods of regulating that problem.

It appears to me that we are here concerned not merely with financial, commercial obligations. The relations of Tsarist Russia and the Russia of the Provisional Government with France had a very broad political basis and pursued very wide political aims, for the realization of which financial relations between those countries were developed. In the Soviet Union everybody knows what Miliukov is and for what he is noted in the realm of international politics. The workers gave him the nickname of "Miliukov Constantinopolsky" or "Miliukov Dardanellsky." What did the country's working masses mean to express by sticking this label on the Minister of Foreign Affairs under Kerensky, on the leader of the Provisional Government, on one of the active participators in the foreign policy of Tsarist Russia? By this label the workers characterized the basic imperialist significance of the alliance between Tsarist Russia and France. The French Government gave very large loans to the Tsarist Government, but at the same time the French Government rightly looked upon the Tsarist army as one of the wings of its own French army. Even before their entrance into the War the two countries had agreed that the Russian Empire would receive Constantinople, the Straits, etc., while France was to get the left bank of the Rhine. For securing these military and political agreements there were extended those loans which it is now attempted to regard as merely commercial and financial obligations.

How did France come out of the war? She received much more than could have been foreseen in the agreements with the Tsar. After the war France began to lord it over the continent, having conquered her so-called hereditary enemy. For this French triumph the peoples inhabiting the Union of S. S. R. paid out 3,000,000 men in killed alone. In addition to this, our country went through an altogether exceptional economic crisis as the result of the imperialist war and the intervention, which France financed to a considerable degree.

The petty voter, the petty holder of Russian securities, who now gathers at special meetings in Paris is, of course, quite justifiably indignant at the fact that the Tsarist securities are now worth nothing. But, as a matter of fact, we were not the ones who drew this voter into that transaction; without his knowledge agreements were concluded with the Tsar for the division of vast territories and unheard of calamity and destruction were wrought.

The decree on the annulment of debts is an entirely logical development of the renunciation of all the imperialist aspirations and agreements of Tsarist Russia. Therefore, we cannot accede to a formal acknowledgment of our indebtedness with respect to the obligations formerly incurred by the Tsarist Government and the Kerensky Government. However, this in no way precludes the possibility of a compromise based upon the principle of mutual advantage.

At the present time, it seems to me, our relations with France have already reached the point where it is necessary to throw aside the discussion as to whether or not we should recognize the debts, and to proceed to a businesslike consideration of the question of wherein and how France can help us and wherein and how we can help France. It is indispensable to turn to a consideration of practical proposals on the basis of mutual concessions and advantages on the part of both countries.

Soviet Fleet Carried off by Wrangel

In our relations with France the requisite clarity has not been attained up to the present with regard to two more problems—the question of the Bizerta* fleet and the Georgian question.

As you know, the French Government had the imprudence to recognize Wrangel as the head of some sort of government, as some kind of ruler. This same Wrangel carried off, or to speak in the language of the criminal code, he stole, part of our country's fleet and brought it to the coasts of France.

*The Russian ships carried off by Wrangel are at present stationed at the French seaport of Bizerta in Tunis, Africa.

After the renewal of diplomatic relations with France this war fleet should be returned to us without any reservations. Such is the viewpoint of our Government. It appears to me that it cannot be controverted, as it is a matter of the nation's means of defense.

I do not think that there has been any case in the history of international relations where, without a rupture of diplomatic relations, two states seized each other's means of defense. What would Herriot say if part of the French war fleet happened to be detained somewhere along the English coast and Chamberlain thereupon began to carry on a very long discussion with Herriot as to whether or not the fleet should be returned? I think that this would serve as the immediate cause not alone of a break in diplomatic relations, but of all the rest that follows after it.

Our deprivation of the Bizerta fleet has occasioned supplementary expenditures for the protection of our country's frontiers in the region of the Black Sea and the Caucasus. We shall present our bill for these disbursements in toto. I think it will grow to very substantial dimensions.

France and the "Georgian Question"

The second question relates to Georgia. Here I am not speaking of any official moves on the part of Herriot or any other members of the French Government, but I have in view the declarations of a number of deputies in the French Chamber and of men in public life.

Chkhenkeli,* whom we, unfortunately, were unable to throw into prison, is somehow numbered in the diplomatic lists of ranks. I do not know whom or what he represents in France, but as I am making the present report in the capital** of Georgia, I cannot pass over this false interpretation of Georgia's position in silence.

I declare absolutely without qualification that our diplomatic relations with France rest on the full and unconditional recognition of the fact that independent Georgia enters into the composition of the Union of Soviet Socialist Republics on the basis of voluntary adhesion; the only representatives of Georgia are the representatives whom the Union of S. S. R. accredits to be such.

We will permit no intermeddling whatsoever in our domestic affairs, neither on the part of Renaudel, nor on the part of any political parties or governments, nor on the part of the League of Nations, of which we were not and are not members. Every attempt made abroad, in whatever form, to raise the question of Georgia and of her entrance into the Union of S. S. R., is active interference in the internal affairs of the Soviet Union,

*A Menshevist emigre from Georgia.

**The Third Congress of the Central Executive Committee of the Soviet Union was held in Tiflis, capital of the Georgian Soviet Republic and of the Transcaucasian Soviet Federation.

which we will not tolerate under any circumstances.

The Bessarabian Question

In the document of France's recognition of the Union of S. S. R. there is a phrase according to which the French Government recognizes the Government of the Union of Soviet Socialist Republics on all territory whereon it is recognized by the population. In reading over this phrase it occurred to me personally that the authors had in view Bessarabia, in a constant state of armed mass insurrection, which the present Rumanian Government cannot liquidate, despite all the efforts exerted through a period of several years.

Bessarabia was forcibly annexed by Rumania. The situation created there demonstrates that the Bessarabian people does not want to reconcile itself to it. We have proposed that the population of Bessarabia indicate through a plebiscite whom it recognizes as its government. Thus far we have not succeeded in obtaining this.

In order to avert any erroneous interpretations that might be prompted by the text of the document referring to the Soviet Union's recognition by France, I am impelled to state here that we do not see in this text any phrase or word that can justify the thought that the power of the Central Executive Committee of the Soviet Union does not extend to any one of the territories entering into its composition.

The Foundations of Future Relations with France

As you see, in our relations with France we are, in the first place, at the beginning of negotiations, and in the second place, there is quite a number of unsettled questions. But the interests of both countries demand the establishment of the closest possible relations between the two peoples. This is also desirable for the reason that in the sphere of international policy there can be found between our diplomacy and that of France a whole group of factors permitting intimate cooperation between the two countries.

In establishing our interrelations with France we should like to have French public opinion realize the fundamental distinction between our present and our former relations. Even now the memory of the old Franco-Russian friendship, the Franco-Russian alliance, the Franco-Russian agreements, possess a certain significance for France. Those were agreements not with the people, but with the Tsar, agreements which cost our people extremely dear.

Now there is a far more complex task before us; we must attain that sort of political agreement which would make it possible for all the peoples of the Union of S. S. R. to say that we have reached with France relations indispensable to the interests of both nations. It is altogether impossible to attain this according to the method

of the old, traditional diplomacy, according to the pattern of Tsarist diplomacy.

In a further consideration of the questions of collaboration between the two countries it is necessary to set out by taking stock of the real situation, and to strive on that basis for a close practical rapprochement between the peoples of the two nations.

Relations with England

With reference to England, at the present time there are no signs at all pointing to the possibility of a change in that country's attitude toward us. The situation has remained, just as it had shaped itself after the Conservative cabinet's refusal to lay the treaty concluded with the MacDonald cabinet before the House of Commons. Since the rejection of the treaty we have had no additional proposals from the English Government. It seems to me that the abandonment of the treaty harms us much less than it does the English, as this treaty had in view the payment of part of the claims of private English owners.

Incidentally, in a conversation with one English correspondent I had occasion to state: "The next move is up to you English. If you do not want to receive anything, we shall pay nothing. If you wish to receive something—how and on what terms?" We do not reject the conditions proposed to us by MacDonald. Now it is the business of those who desire to get something from us to chose what they prefer: to receive something or nothing.

We shall wait to see what new proposals are presented by England. But in any case we cannot assume obligations of the sort that we are not in a position to fulfill, even though these obligations were strictly in accordance with the Roman law and all international law. We are willing to assume only those obligations which, in the first place, it is possible to fulfill and which, in the second place, will confer a benefit upon both contracting parties. Only under these conditions is it feasible to come to an agreement and liquidate all the questions at issue.

The Tasks of Soviet Foreign Policy

Such are the fundamental factors of our international policy. It is hardly possible to hope that during the course of the forthcoming year we shall receive substantial aid from without for our constructive economic activities. Just as our domestic economic and political progress has already brought about our recognition by almost all the West-European nations, so the possibility of obtaining foreign assistance will largely depend upon the success of further effort in the realm of the economic consolidation of the Soviet Union.

In considering the questions connected with the State budget the present session of the Central Executive Committee will have to examine the ap-

propriations for military disbursements, judging them from the standpoint of the peace policy practised by the Government. If our appropriations are compared with similar appropriations by the countries of Western Europe, or if our armed forces are compared with the armed forces of any important capitalist nation, it becomes clear that we are in no way to blame for those rivalries in the construction of dreadnaughts, submarines, the production of poison gases, etc., in which all the European countries are vying with one another. In considering the budget in the Council of People's Commissars we left the figures for the War Department appropriations almost within the old limits. But the advance of war technique must in the future prompt us to concern ourselves more attentively with the defensive needs of the country.

The principles of our international policy are founded on economic cooperation and the assurance of peace. In this direction we have achieved quite considerable success. The establishment of normal diplomatic and commercial relations with additional countries widens the basis of our struggle for peace and furnishes new opportunities of concentrating all the energies of the Soviet Union on the work of reconstructing our economic life, improving the governmental administration, and on the struggle for the cultural development of the popular masses.

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Tchitcherin's Report on International Situation

(In rendering his report on the Soviet Union's international situation to the Third Session of the Central Executive Committee at Tiflis on March 3, Mr. Tchitcherin, People's Commissar for Foreign Affairs, stated that in view of Mr. Rykov's foregoing outline of the general position and prospects it only remained to set forth the concrete details. Accordingly, after mentioning the new factors in the international situation he proceeded to give an account of the Soviet Union's relations with each of the West-European and Asiatic nations. The text printed below is a verbatim translation of the speech as published in the "Izvestia" of March 6, but includes also a number of rectifications which were contained in Tchitcherin's letter to the "Izvestia" published in the issue of March 20. The official stenographic report is expected in the near future.)

ENGLAND may, as heretofore, be considered the most influential of the capitalist world powers, as a world power in the true sense of the word, since the military and naval bases of English rule embrace the whole globe, and also because the English banks are, as formerly, financing the world trade.

However, since the World War England's position is no longer what it previously was.

In the first place, the altered attitude toward her on the part of her self-ruling colonies—the dominions—has affected England's situation.

At the present time these dominions do not allow the international policy to be shaped without their participation.

Their position is, however, rather difficult. When England wishes to draw them into her affairs and to take counsel with them, they refuse. When England conducts her own policy without them, they protest. Recently, when England desired to summon an imperial conference, they refused to come.

In other words, they do not want to be bound, but they do want to be taken into account, and taken into account in just those questions which interest them most, and so they hinder the English Government from involving the British Empire in those questions in which they are not interested.

Thus, the question of interest to the dominions is the question of the white man's world supremacy. That is why our policy, directed toward the equality of all nationalities, is bitterly hated by the dominions, that is why they urge the English Government to take a hostile position against us.

Another fact profoundly affecting England's position, is the growth of the movement for liberation among the colonial peoples.

England's policy consists in going arm in arm with America, in supporting her with the ramified world policy of the British Empire. America, crammed with gold and at the same time entering into world politics somewhat diffidently, and even extremely reluctant to mix in European affairs, willingly proceeds arm in arm with England, and thus the antagonism between them has not come to the surface as yet.

Of course, the time will come when this antagonism will appear, but now there is none of it.

However, even now all is not harmony between them.

A Rift in Anglo-American Relations

In this connection extremely significant is the fact that a change has recently occurred in America's position with regard to China.

As is known, latterly Schurman, the American envoy in Peking, pronounced a speech in which he argued that Karakhan is altogether right in his aims and only wrong in his methods, that Karakhan is quite correct when he points out that the present international treaties binding China are incompatible with the development of the Chinese people and should be rescinded.

The difference rests only in the fact that Schurman recommends the course of legal negotiations, whereas Karakhan advocates a shorter route.

This policy of Schurman's is an evident desire to win the good-will of the Chinese people. Formerly America pursued her own course with relation to China, distinct from the path of the great European powers, but afterwards her course coincided with that of the European powers. Now America again abandons this group of European powers and enters once more upon the road to the conquest of good-will on the part of the Chinese people.

This indicates a perceptible rift in Anglo-American relations.

French Policy

France stands apart. She has her own special aspirations and her own particular interests. She would gladly carry on an independent policy with respect to a rapprochement with the Union of S. S. R. and a friendly policy with regard to Turkey and toward the Asiatic countries in general, her own independent policy, differing from England's policy.

Considerable divergences of interests exist between France and England. But, in the first place, powerful financial pressure on the part of England is exercised upon France. England wields financial power of world importance. If England ceases to discount French treasury bills, it will mean bankruptcy for the French Government. In the second place, they are bound by the Versailles Treaty, which cannot be escaped so long as it exists.

Therefore all the attempts of France to pursue an independent policy are for the most part short-lived. Her policy shows zigzags, vacillations, attempts at independence, but the requisite pressure is then brought to bear upon her, and France follows a common course with the Entente powers.

However, France is getting ready for something. What is her need of a huge air fleet, what is her need of submarines? Clearly, the future has surprises in store.

Japan's Dual Position

Japan finds herself in a dual position. She occupies the position of an imperialist power. She has an extensive industry, a fleet, a powerful army, and dominion over certain parts of the Asiatic continent. However, as an imperialist power she is not a match for America and England.

At the same time she belongs to the colored Asiatic race. It is a dual position. On the one hand an imperialist power, and on the other hand a colored Asiatic nation—the object of the hostile policy of the "white man's supremacy." Hence the extreme hesitancy which characterizes the entire Japanese policy.

Lately England has been constructing a naval base at Singapore. England gave up her alliance with Japan for the sake of an alliance with America. On her part America is also adopting hostile measures against Japan, she excludes Japanese immigration, etc.

Japan feels herself threatened. Hence that trend toward a rapprochement with us which grew steadily more intense and finally terminated in the latest Soviet-Japanese agreement. After three years of probings, vacillations and attempts to come to an understanding, we have an agreement which shows that Japan is endeavoring to find protection for herself in another quarter also. This Japanese policy also represents an extremely sharp departure from the old undisputed supremacy of the Entente.

Italy's Imperialistic Aspirations

Italy stands apart—a full-fledged member of the Entente, but offended because too little was turned over to her upon the division of the spoils after the victory. Italy is striving in her own way after the creation of a nationalist Italian imperialism, endeavoring to develop her national expansion in the basin of the Mediterranean Sea. Here at every step she collides with England, whose chain of military and naval bases traverses the Mediterranean Sea. In Africa, in Tunis, which has long been the object of the aspirations of Italian expansion, she comes into conflict with France.

Thus, Italy, her expansion in the Mediterranean, being restricted by the older imperialism of England and France, dreams of attaining the devel-

opment of Italian imperialism by her own independent course.

Germany and the Soviet Union

Then there is Germany, which is trying to hold her place as a power on a par with the Entente powers.

It can be stated with certainty that, whatever Germany's agreements with the Western powers may be, in the final analysis the German statesmen will always consider it indispensable to protect their rear in the East. One may rest assured that whatever vacillations Germany's policy may undergo—and there have been, are, and will be such fluctuations—in the long run Germany will not break with us, she will not liquidate the policy of friendly relations which has been established between her and us during the course of the past few years.

There are indeed, fluctuations in German policy because Germany is trying, now by leaning on England, now by developing her economic collaboration with France (the latter fact is important and significant in the highest degree, for, no matter with what difficulty Germany's commercial negotiations with France develop, objective causes are impelling French and German industry to come to an agreement and arrive at a condition of co-operation), to create for herself a position of equality with the Entente powers. But in the final analysis it always turns out that the Versailles Treaty is too strong.

It appeared that the gradual evacuation of the occupied areas was beginning. And thereupon the Entente adopted a decision concerning a postponement of the evacuation of the Cologne zone. The Entente control commission makes reports on alleged infractions of the disarmament agreement on the part of Germany.

Thus, to say nothing of other motives, the very policy of the Entente, resulting from the Versailles Treaty, forces Germany to abide by the policy of friendly relations with the U. S. S. R.

Poland and the Near East

Further there is Poland whose attitude towards the U. S. S. R. frequently reveals a divergence between material conditions and political factors.

The material conditions impel Poland to seek economic contact with us, but the political factors are far from being always in step with those material conditions—and hence spring the vacillations in her policy.

The peoples of the East present a picture of extremely rapid intensification of the liberation movement and the strengthening of the position of the national governments.

The peoples of the Near East are gradually getting on their feet, while China is in the grip of such a tremendous popular movement against interference by the imperialist powers, against op-

pression, that it may with full justice be said that such events as the nationwide Chinese movement for freedom have rarely occurred in history.

Such is the situation in which our work has developed.

Turning to a detailed description of the interrelations between the Soviet Union and the various foreign nations, Mr. Tchitcherin continued:

England and the U. S. S. R.

I shall begin with England. With no other nation have we so many clashes as with England. And therefore the question of coming to an agreement with England confronts us as a particularly serious one.

I am convinced that this will take place quite soon. Indeed, when there are continual conflicts, it is necessary either to reach an understanding or to fight. We do not desire to fight, for our policy is one of peace, and England, too, does not find herself in such a situation as not to wish to come to an understanding with us.

The rabid country squires who are forming part of the majority in the present Parliament are inciting the English Government to hostility against us, but they are not the only ones on the English political stage. In the final analysis it is not at all the desire of the English to prolong a situation of general hostility.

At any rate the matter is not up to us. We have already declared that we are prepared to come to an agreement, prepared to begin new negotiations. That is what we have declared, and upon it we stand.

The policy of the new Conservative ministry in England may be split up into three stages. The first two months of the Baldwin cabinet present a picture of unusual energy in the pursuance of an outright imperialist policy. Simultaneously there occurred Chamberlain's trip to Paris and Rome, the extremely resolute steps with respect to Egypt, and the extremely peremptory notes with relation to the Persian Government. Moreover, from a general political viewpoint the question of whether Chamberlain actually journeyed to Paris and Rome for the purpose of forming a united front against us, is at bottom determined by the whole complex of circumstances prevailing at that moment. In the first place, the entire press, especially the British and French papers, said that the aim of the policy of the Conservative English cabinet was the creation of a united front against the Soviet Republic and the union of all the so-called civilized governments for a struggle against communism. Skrzynski, the Polish Minister of Foreign Affairs, lauding this policy of Chamberlain's expressed himself to the same effect in a well known interview with the correspondents of the foreign press.

Of course, there were other questions. The settlement of these other questions was not always

auspicious, and very soon a change took place in the policy of the great powers. However, the baiting of communism and the baiting of the Soviet Government which, precisely at the moment of Chamberlain's trip, had started in the press of England and France and partially in that of other countries, continued for quite a long while, taking on somewhat different forms.

Simultaneously with Chamberlain's trip there occurred between the English Government and Rakovsky an exchange of notes which, in my opinion, greatly discredited the English Government. In fact, when the MacDonald Government issued its famous note on the "Zinoviev letter," on our part we immediately declared that it was a forgery, and promptly proposed an arbitration commission for the elucidation of this question. A new Government makes its appearance. We again press for an arbitration commission. And this is the result: the new Government addresses us a very brief, but highly uncivil, note terminating with a warning. In this note the new Government simply subscribes to MacDonald's previous declaration. We again state that we propose an arbitration commission. No answer.

In Parliament the Home Secretary declares that the source whence the "Zinoviev letter" was received could be announced, but since that source is located in Moscow, he would be subjected to danger if his name were made public. At once we declare: be good enough to name your source; we guarantee him absolute safety and freedom of departure from our Republic. And this is the outcome: the English Government replies thereto that it has nothing to add to its former declarations. An arbitration commission is proposed—it refuses. When it says that there is a source, the specific revelation of the identity of this source is proposed to it and everything necessary for the elucidation of the question is offered—it declines. The English Government itself has thereby admitted that the "Zinoviev letter" is a fabrication.

Of course, it is very embarrassing for the Conservative Government to acknowledge this. But there is nothing to be done. In the eyes of every unprejudiced person the English Government has by its attitude demonstrated the fact that the "Zinoviev letter" is a forgery.

Thus, the initial period of the new ministry was one of a sharply aggressive policy.

But then a change occurred. In the beginning of January, before his arrival in Moscow, Rakovsky had a conversation with Chamberlain. If you ask Rakovsky about what he spoke with Chamberlain, he will be constrained to remain silent. If you ask me about what they spoke, I too, shall be forced to keep still. But the newspapers did not keep quiet. And what the newspapers wrote was not controverted. And the papers wrote that Chamberlain declared that he did not intend and never had intended to create a united front against

the Soviet Republic. With reference to Albania, he stated that he had not given the English representative instructions to fight against the presence of a Soviet representative in Albania. With regard to the Balkans, he declared that the English Government always pursues a policy of non-interference in the Balkans so long as English interests are not affected. Therefore the English Government did not create a united front in the Balkans. With relation to the Baltic States, he stated that the English Government was not forming, and did not intend to form, a Baltic alliance against the Soviet Republic. Regarding the Bizerta fleet he declared that it is a matter of indifference to the English Government whether or not the fleet is returned to us.

Those are the advices which were in the papers and which were not refuted.

Whatever material value may be attributed to these declarations, the very presence of such statements shows that the English Government does not wish to persist in the position assumed in the first days of its existence. Evidently, it met with failure there, and the English Government itself desires somewhat different relations.

Sometime later, when Hodgson, the English Charge d'Affaires, returned to Moscow after a long absence, he came to me on the same day as he arrived and said that England has not endeavored and is not endeavoring to create any bloc against the Union of S. S. R., in connection with which he added that before his departure from London he had had an interview with Chamberlain, and Chamberlain had especially charged him to say this to me.

There has been quite a number of declarations in official English circles that England is ready to resume negotiations with the Union of S. S. R. Such statements have also been made by Chamberlain in Parliament in answer to interpellations. But they seem to want the Soviet Union to take the first step. What sort of step I do not know, since we have always declared and do declare that we are prepared to carry on the negotiations. But, however that may be, the English Government has announced in principle its readiness to negotiate with us, though awaiting from us some sort of step which I fail to understand.

Finally, the industrial circles, which during the time immediately succeeding the new elections had scurried away from our Diplomatic Mission, again began to display considerable activity in the way of seeking connections with our Diplomatic Mission and Trade Delegation and of resuming business with us.

Lately some contrary indications are observable. There is quite a number of signs showing that preparations are under way for the exertion of pressure upon us. Incidentally I may point out one fact—not of particular immediate importance,

but significant as a political gesture—namely, the refusal to print the advertisements of "Arcos"* in official English publications, the explanations given in this connection by a spokesman of the English Government in Parliament being rather unfriendly. He stated that so long as the interests of a large number of English subjects were violated by the Soviet Government, it was impossible to permit in the pages of official English organs the publication of offers to English subjects to purchase anything from or sell anything to that Government.

There are also other indications that some sort of pressure is being prepared against us. We will not, of course, yield to pressure, but we are always ready to conduct negotiations.

Change in America's Policy

This same phase of relative mitigation of the English policy of aggressiveness coincided with a similar change in American policy, which expressed itself in the altered course in China and in the resignation of Hughes. To the general public the resignation of Hughes came unexpectedly. However, French sources had predicted it long before, so that, evidently, there was some connection behind the scenes between the American political elements advocating an altered course and French political spheres. For a long time the resumption of relations with us has been favored by precisely those American statesmen who have come forth against America's intermeddling in European affairs, while Hughes who was opposed to relations with us belonged to those statesmen who favored American intervention in European politics; it is exactly the necessity of broadening the framework of its policy that impels America to take up relations with the U. S. S. R.

The Far-Eastern policy, especially the agreement with Japan, and in general the necessity of having some sort of contact with a nation embracing one sixth of the earth's surface, compels America to alter her course with respect to us.

At the moment of Hughes' departure there was an enormous volume of semi-official declarations that the change in the office of Secretary of State would lead to a resumption of relations with us, but that it would not lead to it at once. Senator Borah himself said in an interview that it was impossible to expect a speedy resumption of relations with the Soviet Union, but very few voices say that nothing will change on the whole.

At the same time advices of a semi-official character, more or less in accord with one another, began to arrive, to the effect that the American Government planned to create a commission to prepare for the resumption of relations with us. Such a commission was once proposed to us in the year 1922, after the Genoa and Hague Conferences, on the initiative of the American Ambassa-

*A London corporation engaged in Soviet-British trade.

dor in Berlin, Houghton, who has now been transferred to London and who was sympathetic toward the restoration of relations with us. It was to be a semi-official American commission for the investigation of the Soviet Republic's situation—without reciprocity.

At that time our Government replied that we could not place ourselves in such a position. Let there be reciprocity, let our commission simultaneously go to investigate the situation of the United States, or let the commission come for negotiations with some commission of ours.

What is proposed in these semi-official declarations now is something quite different, namely: it is proposed to create a commission to conduct preliminary negotiations with a Soviet commission. That is something quite different.

Of course, as yet this is all merely talk and rumor, although from semi-official sources. If we receive an official proposal, we shall then study its terms; but meanwhile it may be observed that this proposal is not the one that was made in 1922.

Furthermore, in all these semi-official reports America's change of policy is linked with a plan for summoning a new disarmament conference, in connection with which it was at first surmised that this new Washington Conference would concern itself with sea and air fleets and with land forces. It is quite manifest that the decisions of such a conference will possess only secondary importance unless all the nations of any world importance participate in it. Hence the projects in view concerning the renewal of relations with the Union of S. S. R. were linked with this plan of the American Government.

We know from official British moves that this plan is already under consideration in England, and that France in particular has rejected the conference with respect to land forces, so that in consequence of France's refusal there is talk only of a new Washington Conference on the question of naval armaments and aerial warfare.

Resumption of Diplomatic Relations with Mexico

Thus in America, we still face a question mark. But with a neighbor of the United States, Mexico, we have succeeded in reestablishing diplomatic relations, which furnish us a political base on the new continent. The Mexican Government rests on the moderate trade unions and the progressive petty bourgeoisie. The Soviet Republic is extremely popular in Mexico. Pestkovsky, our plenipotentiary representative met with the most enthusiastic reception in Mexico, and from all quarters he constantly receives expressions of the most friendly, even of the most enthusiastic, attitude toward the Soviet Republic. Mexico accordingly gives us in America a very convenient base for the further development of our relations.

Preparations for Official Negotiations with France

Our present relations with France may be described as a period of preliminary sounding: a gradual approach is being made from both sides.

The conference which was to have started on January 10 was postponed because it was manifest both to France and to ourselves that it is necessary to clear the ground somewhat before entering upon official negotiations.

The impressions obtained after the initial weeks of restored relations with France, are not so bad. A definite movement is noticeable in official French circles—De Monzie who was commissioned to conduct negotiations with our embassy, at first adhered to the most irreconcilable policy, but now different speeches are coming from his lips.

In the beginning he said that everything up to the last centime would have to be repaid, that we would have to recognize obligations which would cover all the debts. In this connection he added that there could be no business, no economic relations whatever between the Union of S. S. R. and France so long as the question of debts remained unsettled.

Now De Monzie talks otherwise. He states that it is necessary to develop economic relations and thus create contact between France and the Union of S. S. R.

At the meeting of the Lyons Association of Trade, Industry and Agriculture, held on January 25, De Monzie declared, that since the Peace of Versailles he did not attribute to obligations and to the recognition of national debts the same significance as formerly, because obligations are strong in proportion to the guaranties accompanying them, and claims resulting from loans are of value only if the debtor is given the possibility of paying his debts. De Monzie declared also that he did not admit the possibility of a political upheaval in the Union of S. S. R., that he considers the Soviet Government very stable, and that even if the feasibility of a change of government in the Union of S. S. R. were conceded, the new Russian government would not be able to bind the Russian people to recognition of the old debts by way of a gift in the event of such an occurrence.

After his arrival the French Ambassador, Herbet, continually spoke of settling the question of debts as soon as possible. But now a change is observed in his position. He talks of the development of economic relations in general and of the possibility of industrial and commercial credits.

So the shift in French governing circles is undubitable.

On our part, we find it, of course, in the highest degree desirable and even indispensable to come to an understanding on this fundamental question, but we proceed from the principle that the toiling masses of the Union of S. S. R. shall not have to pay a single kopek and that there shall be attained an agreement of such a nature that it will not im-

ply any further payments whatever by our toiling masses.

Besides, the very figures which are presented by France require very careful verification. Rykov has mentioned the sum of 30 billion gold francs. This is the figure which Herriot cited in one of his speeches.

If we examine it closely, we see that this figure is inflated. The fundamental class of debts is that of the pre-war debts, which are in the hands of the petty investors of France. These pre-war debts aggregate, according to official calculations (there are various estimates), about ten and a half billion francs. At the present rate of exchange for francs this constitutes about one billion gold rubles.

But it is further necessary to deduct 30 per cent appertaining to those territories which separated from the former Russian Empire, and to the State structures which remained in those territories.

If these 30 per cent are deducted, there is obtained a figure of approximately 700 million gold rubles, which is not such an astronomical magnitude. But there are other considerations in connection with which this figure can and should be still further reduced. Of these other considerations, however, we shall speak when the negotiations are begun.

No Agreement until the Bizerta Fleet is Returned

The question of our fleet, now stationed at Bizerta, has passed through several stages. According to a telegram just received it appears that Herriot has declared in the Senate that it is indispensable to take into account the necessity of guaranteeing the safety of Rumania, Bulgaria and Yugoslavia, and that in this question the French Government will maintain the position of Poincaré. Now, Poincaré's position consists of this: that first, there should be a recognized government of Russia and, second, that the fleet should be kept as security under the right of creditors to withhold property of the debtor until an agreement on the question of debts. This is precisely the point against which we have protested very determinately.

In his report Rykov adduced a very interesting example. If, for instance, a French vessel enters an English harbor, what will the French Government say if England withholds that vessel on the ground that France is England's debtor? The question of the fleet is one of the major questions preventing an agreement with France. That is why Rykov declared that we cannot come to an agreement until the fleet is returned to us.

There is a number of other, smaller questions on which the French Government takes a position unacceptable to us. Such is the question of France's restitution of the ships of the former Russian Steamship and Trading Company, which the French Government is not restoring to us. Such is the question of the French branches of the na-

tionalized Russian banks. At first they were reserved under sequestration, which signified nothing serious; then the sequestration was removed and the White-Guard émigrés are managing and disposing as they please in the French branches of the former Russian banks.

The Question of Georgia

One of the most important questions separating us from France is the question of Georgia. During the course of the past few years the French Government has assumed the role, as it were, of special protector of the former government of Jordania.*

After leaving Batum** in 1920, England kept the Straits and left France a free hand in Georgia while at the same time Lloyd George declared to Krassin that he considered the Caucasus as the sphere of influence of the Soviet Republic.

During Jordania's administration in Georgia the actual ruler was the French Admiral Dumesnil. His agent in Tiflis, it seems, was called Chev-alier. It was precisely Admiral Dumesnil who inspired the government of Jordania and Gheghechkori with that policy of systematic hostility and treaty infringement with which we had to deal continually. The Moscow Treaty ceased to exist in reality. This was the policy with which Admiral Dumesnil inspired Ramishvili and Djugeli. This was the French policy carried out through Admiral Dumesnil.

Mr. Tchitcherin then cited the treacherous attitude of the Jordania Government which, with the sole purpose of trapping them, permitted the Communists to form a legal party and immediately thereafter instituted all sorts of persecutions against them and shot many of them.

Another fact is the Jordania Government's refusal to allow the passage of a grain train to Armenia just after it had adopted a Soviet regime. This deprived Soviet Armenia of the possibility of guarding its safety. In this connection it is curious to note that when the Lori uprising began in the neutral zone between Georgia and Armenia, Gerasim Maharadze† declared that in his opinion this revolt had been instigated by France. Then the following situation arose.

When the Armenian Communists advanced to protect their comrades, Erivan‡ was occupied from the rear by the Dashnaks.‡ And we thereupon noticed through our radio station in Moscow that Admiral Dumesnil, the Tiflis radio station and the Dashnaks of Erivan were conversing by radio.

*Jordania was head of the menshevist government of Georgia (Transcaucasia) which was overthrown in 1921 when Georgia joined the Russian Socialist Federated Soviet Republic.

**During the Civil War Batum, the chief port of Georgia was occupied by English forces.

†Maharadze was the first Soviet premier of Georgia after the overthrow of the Mensheviks.

‡Erivan is the capital of Armenia. The "Dashnaks" are the party of Armenian Nationalists.

Thus at that moment the insurgent toiling masses fell into a sort of trap between the French fleet, Tiflis and the Erivan Dashnaks. And at that moment the agents of the Jordania Government cut the telegraph line joining Moscow with the Caucasus, while the Tiflis radio station refused to answer us. We were cut off. But at that time it became known to us, and evidently it became known in Baku, too, that Admiral Dumesnil was preparing to disembark his troops for the protection of the Jordania Government, or rather for an attack by the Jordania Government against the working masses in revolt.

It can be said that when Orjonikidze* set out for Tiflis it was an act of self-defense against the aggressive policy of Admiral Dumesnil. These intimate relations persisted even afterwards. There was a moment when a truce was signed and, it seemed, everything was being adjusted. Unfortunately, at that moment the ikons and other valuables fell into the hands of Jordania. With all these valuables "oppressed Georgia" departed for Paris on board a French vessel.

Rykov has informed you of certain ambiguities in the formulation of our recognition by France. It is stated therein that France recognizes the Soviet Government's power in all territories whose inhabitants recognize it. To remove the possibility of applying this to Georgia, to eliminate the possibility of a refusal by France to recognize the Soviet power in Georgia, De Monzie gave Rakovsky a written assurance that this does not refer to Georgia. Consequently, Georgia is not regarded as a country which does not come under the Soviet power. The same thing was recently communicated to us officially by the French Ambassador, Herbette, who declared that France did not intend to dispute the Soviet power in Georgia. But, unfortunately, when Renaudel in the French Chamber advocated that Soviet Georgia should be exempted from the recognition, the French Government remained silent.

It is quite evident that the recognition of Georgia means the recognition of Soviet Georgia only, for there cannot be two States on the same territory. And Rykov pointed out yesterday that no agreement is possible with a nation that does not recognize Soviet Georgia.

Italy and the Annexation of Bessarabia

The relations established with Italy continue. In general relations between Italy and ourselves are quite friendly.

There is one question which comes up repeatedly and which is not quite clear, and that is the question of Italy's non-recognition of Rumania's act in annexing Bessarabia. As is known, only France and England ratified the treaty of October 28, 1920, covering the annexation of Bessarabia to Rumania. Recently, after the resumption of

relations with Italy, the question of Italy's ratification of the annexation of Bessarabia to Rumania was raised there. We then pointed out to Italy that this is a distinctly unfriendly step with respect to our Government. The Italian Government at first proposed to us mediation between us and Rumania, but the answer which it received from the latter was such that it abandoned such mediation of its own accord. The matter rested there. The Italian Government did not ratify the treaty covering Bessarabia's annexation. But since then pressure has been exerted upon Italy again and again, and not long ago the Rumanian Minister for Bessarabian Affairs traveled to Rome specially to conduct negotiations concerning the recognition of Bessarabia's annexation.

The Italian opposition press for reasons of domestic politics is attacking the Fascist Government also on account of the Bessarabian question. The official press, disagreeing with the opposition, again pursues the viewpoint of the desirability of intermediation by Italy between us and Rumania. Officially no such overtures have been made to us. Officially the Italian Government continues to stand firmly by its attitude of refusal to ratify the annexation of Bessarabia by Rumania.

This question is extremely important for us. It is for us the touch-stone of our future relations with Italy.

Relations with Germany

As regards Germany, taken by and large the line of our friendly relations with her remains unshaken. This does not mean that we do not have numerous points of friction and numerous disagreements. Economically Germany and the Soviet Union supplement each other to such an extent that the concrete economic conditions bind them to an economic policy of close cooperation. However, even in the economic field much friction and misunderstanding must be surmounted. But in the last analysis they are being surmounted.

It cannot be said that the past summer's controversy with regard to the raid upon our Trade Delegation in Berlin passed without untoward results. Besides, the German Government is constantly creating strained situations by transferring conflicts with groups of industrialists to the sphere of diplomatic relations. Such, for example, was the role played by the conflicts concerning the further existence of German trading firms in the Caucasus. When after the establishment of the Soviet power in Tiflis our authorities began gradually to apply various decrees to foreign firms including the request that trading firms should be registered, the German Government made quite an important conflict out of it. This matter has now been practically settled by the Commissariat for Foreign Trade in Moscow, and registration has been denied to a whole group of German firms.

*One of the leaders of the Georgian Communists.

The German Government endeavored to confer the same diplomatic significance to the dispute over the Chiaturi manganese ores concerning the rights of the German companies Kaguto and Gelsenkirchen. Since negotiations are now going on with the American firm of Harriman for a grant to it of a concession covering the entire manganese industry, the question of the German firms will in one way or another be bound up with the general problem of the future fate of the manganese deposits. But up to the present moment the German Government is still attributing the character of a diplomatic conflict to this question.

Just lately interest in the U. S. S. R. has not only been growing in German public and industrial circles, but their frame of mind is changing notably in our favor. Recently great interest in the U. S. S. R. has been observed in particular in East Prussia. Among other things, this showed itself by the dispatch of a special delegation from the city of Koenigsberg to Moscow for the restoration of former connections with the Soviet Union.

The main question between ourselves and Germany at this moment is the negotiation of a trade agreement. The negotiations started toward the close of last year and during the first period of these negotiations a number of legal questions were settled satisfactorily. The negotiations were interrupted on the eve of the Christmas holidays, and have remained in abeyance even since the departure of the German delegates.

With reference to the major economic questions which sever us, we have only succeeded in approaching them and great difficulties face us in connection therewith. Just now the resumption of these negotiations in Moscow is at hand. Of course, the foreign trade monopoly must be absolutely unimpaired. The German Government declares that it will not encroach on the foreign trade monopoly, but we know that in German industrial circles there is a very strong desire to weaken our foreign trade monopoly and introduce some changes in it.

Relations with Austria

Near Germany stands Austria. Economically Austria is in the most pitiful situation. A representative of the League of Nations is master there. To Austria's economic condition corresponds her extremely weak political position. However, some very important political questions are connected with Austria. In Austria itself the trend toward union with Germany, which had at one time quieted down, is beginning to arise once more. Against this France, of course, objects very strenuously. England and France have plans in view for the straightening out of the situation in the Danube basin, the English plan calling for the economic union of the former sections of the Austro-Hungarian monarchy, while the French viewpoint favors political union and the creation of a Danube

alliance under the hegemony of Czechoslovakia, that is, in reality under the hegemony of France.

Thus, this completely ruined and weakened Austria is the object of a very important game on the part of the great powers. We are not mixing in these questions.

We are maintaining very friendly relations with Austria, and the economic bond between ourselves and Austria is strengthening steadily.

Furthermore, Austria has brought up the question of concluding a trade agreement with us. We find that our relations with Austria are developing quite normally even without an agreement, but we do not object to the conclusion of an agreement and we are awaiting from Austria the presentation of the principles on the basis of which she is willing to conclude an agreement.

Relations with Hungary and Czechoslovakia

With regard to Hungary, the agreement covering the resumption of relations with her was to have been ratified not later than December 5. In view of internal difficulties Hungary requested us to extend the limit of ratification by four more months, i.e., until April 5. We consented to this.

It must be noted that when we signed this agreement with Hungary, MacDonald was in power in England. Now the Government in England has changed and this circumstance is reflected in the attitude of the Hungarian ruling circles toward our agreement. Bethlen, the Hungarian Premier, had striven for the prompt ratification of the agreement with us in the Hungarian Parliament for quite a long time, but later he withdrew this question from the order of the day. A good deal of time still remains up to April 5, but what will happen on April 5 we have still to see.

In Czechoslovakia the question of renewing relations with the U. S. S. R. is in reality an internal problem. On our part we have against Czechoslovakia a number of claims in consequence of the vast ruin wrought in our territories by the Czechoslovak legionaries.

The Czechoslovak Government is preparing the ground for the resumption of relations with us, but in this question it encounters opposition on the part of the conservative wing of the coalition of government parties. That is its affair. On our part we are calmly waiting.

Sore Spots in the Soviet Union's Relations with Poland

Incomparably more important for us are our relations with Poland, which is the largest nation among our immediate neighbors and represents a real force.

The Polish Government expresses a desire to come to an agreement with us on all questions, in particular in the matter of trade relations and the future fate of the Riga Treaty.

On our part we also find it in the highest degree desirable to settle our relations with Poland. Our policy is one of peace. We consider it useful for us to regulate our economic relations with Poland, as well as the other questions arising between us and Poland. We are not responsible for the delay which is due to Poland. It is to be wished that the Polish Government should proceed energetically along the road to the settlement of all these disputed questions.

One of the painful questions which are everlastingly embarrassing our relations with Poland, is that of the border incidents.

For instance, not long ago in the vicinity of the town of Yampol a Polish detachment—not bandits but a detachment of Polish Government forces in Polish uniforms—made a raid on our territory and attacked our frontier post, but was fortunately repulsed.

This is an act that is altogether intolerable in international relations. We have obtained proof that these were really Polish soldiers and we have addressed an extremely serious warning to Poland in this connection.

This question will be taken up in our future negotiations. The Polish Government is willing to conclude a special agreement with us for the avoidance and prevention of border conflicts. This question must be settled.

We also regard as extraordinarily important an early conclusion of a veterinary convention with Poland. In particular the Ukraine is especially interested in not being subjected to perpetual obstacles in the exportation of cattle to Poland, obstacles which can be removed only by means of a veterinary convention.

But the Polish Government, unfortunately, postpones the conclusion of this agreement until the conclusion of a general trade agreement, and we continue to raise our objections in this regard. We insist upon the quickest conclusion of the convention, while Poland wishes to delay.

The Baltic States and the Helsingfors Conference

The Helsingfors Conference has played an important role in our relations with Poland and the Baltic States.

At the present time the Polish Government denies that it had in view the creation of any hostile alliance against us. Before the calling of the Helsingfors Conference it did not deny this. Enormous masses of official, semi-official and private advices speak of the failure of the plan to create at Helsingfors a coalition of Poland and the Baltic States directed against the U. S. S. R. Certain decisions were adopted concerning the relations between Poland and the Baltic nations, decisions which do not possess any great international significance.

After the Helsingfors Conference the pendulum of Polish policy again swung toward us. England's

hostile attitude at the time of Poland's conflict with Danzig has had a very serious effect on Polish governing circles. Thereafter the Polish Government began to display great energy in its desire to begin negotiations with us for the settlement of the questions at issue between us, and we, on our part, hope that these negotiations will succeed, the Soviet Government having always directed its policy in accordance with the interests of general peace.

As regards the Baltic States, they show a two-sided policy, resulting from their fear of us. We know that on December 1 after the suppression of the uprising of the Esthonian Communists the Esthonian Government addressed a plea to England to be taken under her protection, in connection with which Esthonia agreed to everything, provided England would take her under her protection. But England declined this adventure. She does not consider it possible to bind herself too closely. She is under pressure from her colonies and dominions, which do not wish the forces of the British Empire to be scattered too much. All the while, however, the Esthonian Government has addressed and continues to address to us its declarations of the warmest friendship. It has stated several times that it does not consider the Soviet Government involved in any way in the events of December 1.

The same two-sidedness is noticeable in the entire policy of the Baltic States. But in the final analysis they must understand that they exist by reason of our sincerity and our respect for treaties and the independent existence of each people, and not because of protection by the Western nations.

With Finland in particular we had a controversy on account of Georgia. As is known, when the question of the uprising in Georgia was discussed in the League of Nations, the Finnish representative was the first to take the floor and he delivered a long speech, in which he declared that the League of Nations should intercede between the warring factions and bring about peace in Georgia. We protested sharply against this attempt of the League of Nations to intermeddle in the internal affairs between the Georgian Soviet Government and the rebels. The upshot was that the Finnish Government tried to explain the matter by pretending that we had not correctly understood their move.

Our relations with the Scandinavian countries are quite friendly. Negotiations are under way with Norway for a trade agreement.

In the Balkans

The internal crisis in the Balkans grows steadily. The revolutionary forces are increasing. In Yugoslavia the strength of the Croats and other oppressed nationalities is growing.

Under the impulse of fear the Balkan Governments are trying to get together for the creation

of a united front against us, something in which they have not been particularly successful. The reactionary governments of Sofia, Belgrade and Bucharest have too many conflicting interests to make it possible for them to form a united front so easily, even against the Soviet Union.

The Policy of Friendship with Turkey

Turning to the nations of the East, we may say in a general way that our friendship with all the Eastern countries is getting stronger. This can be said, above all, with respect to Turkey. Our policy of friendship with Turkey is taking deeper root. We follow with sympathy Turkey's struggle against the reactionary uprising evidently instigated from without. At first Kemal's program was somewhat simple: not to allow foreigners into Turkey, and not to admit foreign capital. The Turkish peasantry was to build up everything through its own efforts. Subsequently it became apparent that the matter was not so simple. The prosperity of the peasantry is not so quickly restored; it is difficult to get along without foreign capital. The Kemal Government's program is now somewhat more complex and in part has suggestions of some of our experiments, namely: State monopoly and the development of the cooperative movement.

At the present time Kemal's Government is developing agricultural cooperatives with all its might. At the same time it has entered upon the introduction of a system of great State monopolies and contracts, tending to turn them over to foreign capital under its stringent supervision. We are taking advantage of this new economic policy on the part of the Turkish Government for the promotion of closer economic relations with Turkey. Besides, some State contracts were awarded to our organizations. From the very beginning we have pushed forward the program of developing companies with mixed State and private participation for the improvement of commercial relations with Turkey. The mixed company "Russoturk" has expanded with extreme rapidity, something which really facilitates the development of our trading relations with Turkey in a considerable measure.

Finally, very much significance must be attributed to the cultural contact between ourselves and Turkey which has commenced to develop of late. The visit of the Turkish football players to Moscow, the correspondence of Latife Hanum, the wife of Mustapha Kemal Pasha, with Mrs. Kamenewa concerning the development of the women's movement in Turkey—all this promotes the further consolidation of our relations with Turkey.

The Situation in Arabia

There are countries which we have not had occasion to mention heretofore in the Central Executive Committee. One of these countries is Arabia. We have an envoy in Hejaz, one of the states of

Arabia, and thus find ourselves in direct touch with the rather stormy internal life which goes on in Arabia. Arabia is divided up into an immense number of states, small principalities and separate tribes.

Arabia occupies quite an important geographic position between two seas. For this reason it is easy to understand the continuous interference of England with the internal affairs of Arabia, and the eternal frictions among the Arabian princelings.

However, the idea of Pan-Arabianism is growing continuously stronger in Arabia.

During the world war England utilized the idea of Pan-Arabianism to stir up the Arabian nation against the Turkish Government. At that time, furthermore, Hussein, the Emir of Hejaz, having received the title of King of Hejaz, cooperated with the English against the Turkish army on the basis of England's promise to support the creation of a Pan-Arabian Federation upon the termination of the war, with Hussein at its head. After the imperialist war this promise of England's was not fulfilled. The moment came when King Hussein, who continued to strive for the creation of a Pan-Arabian Federation, departed, so to speak, from his submission to England. That was the moment when, incidentally, he proposed that we enter into diplomatic relations with him. Hussein's representative came to Moscow, and Khakhimov was installed as our representative in Mecca.

At the present time the situation in Hejaz is rather obscure. Ibn Saud has come forth as the enemy of Hussein. At first he enjoyed the open support of England, but when he took Mecca and wished to subjugate Hejaz completely and make himself head of all Arabia, England turned against him and began to support Hussein's heir, King Ali I.

At present Ibn Saud holds Mecca, King Ali holds sway in Jidda, and the struggle proceeds as formerly without determined action on either side. Meantime the Egyptian press reports that the Indian Mussulman commission has made a new proposal to the warring factions—to establish a republican form of government in Hejaz, the foreign policy of Hejaz to be in accord with the wishes of the entire Mussulman world and to be independent of foreign interference. In addition to this, the commission proposed the summoning of a Pan-Islamic congress, where the Republic of Hejaz is to be formed and King Hussein and his dynasty deposed. Finally, the commission has proposed the formation of an alliance of all the Arabian tribes for protection against foreign greed.

To these proposals the Hejaz Government replied that it opposed the creation of a republic in the Hejaz, since in its opinion this form of government was impracticable for the country.

Moreover, the fear arose in Anglo-French political circles that if Mecca were selected as the residing place of the new calif, the latter would be independent of West-European influence and would lead the Pan-Islamic movement.

At the present time Arabia has accordingly become the center of an extremely interesting movement, in which at bottom the more backward elements of the Mussulman world are playing a role. While the Turkish Government has separated the church from the State and abolished the Califate, while the Afghan Emir is waging an extremely energetic struggle against the clergy in Afghanistan, the most backward elements of the Mussulman world are getting together in Mecca. Interesting, however, is the fact that these backward elements are also organizing to combat the intrusion and interference of Western imperialism.

As long as our representative is there for contact and observation, we cannot tell what further forms our contact with these new and extraordinarily curious phenomena developing in Arabia will take.

Rapprochement with Persia

Further consolidation is taking place in our friendly relations with Persia.

Recently the national government of Riza-Khan suppressed the uprising of Sheik Heisal. The English Government very energetically took Sheik Heisal under its protection and addressed a note to the Persian Government protesting against the movement of the Persian Government's forces.

The Persian Government replied to this note with sufficient firmness, and as a result the English envoy returned to Teheran and began to pursue an altogether different policy—a policy of drawing the Persian Government over to English interests.

At the present time England has once more begun to exert strong pressure upon the Persian Government, but on this occasion in the field of purely financial questions. It is precisely the finances which represent the weakest side of the Persian Government. The interrelations between the Shah, who is in Paris, and the Riza-Khan Government are not quite clear. The entire opposition is against Riza-Khan and has exerted pressure upon him by supporting the power of the Shah and fighting against the establishment of a republic. Riza-Khan has now sent a telegram to the Shah, proposing his return to Persia.

It is rather difficult to conceive what the future development of these events will be, but our policy in this connection is fully determined. Our policy is one of non-interference, for it is evident that it is absolutely impossible for us to decide those problems which must be solved by the Persian people itself.

Our policy is one of rapprochement with Persia and of cooperation with her in every way in order

that she may get on her feet. And, in fact, Persia's economic situation is improving more and more, and our policy of developing trade relations with Persia is contributing to this.

While the policy of the Tsarist government consisted in hampering the development of Persia's productive forces, our policy consists, on the contrary, in furthering this development in every respect.

Negotiations with Afghanistan

As regards Afghanistan, the close friendship between ourselves and the Afghan Government is continually growing stronger.

As is known, recently the Afghan Emir addressed to the English Government a demand for the indemnification of all the losses occasioned by the Afghan uprising, which he connected with English agents. The Afghan Government demanded of England the surrender of the pretender to the Afghan throne, who headed the revolt. This shows to what degree relations between England and Afghanistan have become strained.

The Afghan Emir is the head and one of the most energetic representatives of the policy of reforms in Afghanistan. The reforms introduced by him touch all phases of Afghan life. And our amicable relations are becoming ever firmer with this Government of reform and of endeavor for the creation of a modern and reconstructed Afghanistan.

Negotiations have now been initiated with Afghanistan for the conclusion of a trade agreement. The Afghan ruling circles realize at present that our military power played a decisive role in the Afghan Government's victory over the reactionary insurgents.

The varied forms of economic contact between ourselves and Afghanistan and the many forms of assistance which we can render each other, are bound to make our friendship with Afghanistan still closer and firmer.

Close Contact with Mongolia

Our contact with the Mongolian Republic is much closer. We recognize this Republic as part of the Chinese Republic, but we also recognize its autonomy, which is so broad that not only does Mongolia not permit any interference in its internal life on the part of China, but also pursues its own independent foreign policy.

Lately a marked trend to the left is observable in the People's Revolutionary Party, which is in power in Mongolia.

The ideological influence of the Soviet Union on the country is increasing, and the development of the internal political organization of Mongolia is also progressing.

During November there convened for the first time in Mongolia the Great Khuruldun (Constitutional Assembly), which furnished a constitutional basis for the Mongolian Government. It recognized

as correct the activity of the Government for the entire elapsed period, and emphasized the necessity of a determined struggle against the counter-revolution and of the maintenance of close friendship with the U. S. S. R. It confirmed all the agreements concluded by Mongolia with our Union and adopted decisions covering the regulation of the economic situation, of political education and the technical improvement of the Mongolian army.

The Khuruldan adopted also a number of important resolutions in the sphere of State administration, determined the political structure of the Republic, approximating it to the Soviet government type, and selected a Small Khuruldan of thirty members in which the herdsmen and nomads are prevailing.

The Small Khuruldan in turn elected a Presidium, and this Presidium is the Mongolian Government, functioning during the intervals between sessions, which are convened two or three times a year.

Genden, a herdsman, was elected chairman of this Presidium. In his first speech he stated that Mongolia had conquered its freedom with the aid of the U. S. S. R. and, therefore, Mongolia must always remain closely allied to us.

Accordingly, in the case of Mongolia we have a nation which definitely directs its policy along the line of the closest contact with the Union of S. S. R.

The Internal Struggle in China

In China, where a truly remarkable growth of the popular movement against imperialism is noticeable, the Kuo-Min-tang Party—the democratic, revolutionary people's party, which is headed by Sun-Yat-Sen and whose policy is to a certain extent in line with ours, is very rapidly increasing in strength.

At the present time the Kuo-Min-tang army in the South near Canton, where the territorial base and center of the Kuo-Min-tang Party are located, has won a series of decisive successes over Sun-Yat-Sen's old antagonist, Chen-Chiung-Ming. The latter's power is on the brink of final ruin.

On the other hand, the internal struggle between the generals in power has now led to the point where some of these generals are turning to the left beginning to declare themselves supporters or allies of the Kuo-Min-tang Party.

The overturn in Peking occurred in connection with the fact that General Feng-Yu-Hsiang, who was formerly allied with President Tsao-Kun, betrayed the latter and went over to the side of Chang-Tso-Lin. Thereupon the government was overthrown and a new one was created, headed by Tuan-Chi-Jui, the leader of the "Anfu" Party, which had been closely connected with Chang-Tso-Lin.

At that time certain generals allied with the vanquished Wu-Pei-Fu were still operating in Cen-

tral China. Against them Tuan-Chi-Jui sent General Hun-Tsin, who had long spoken of his sympathy with the Kuo-Min-tang Party. As soon as he found himself away from Peking he declared that he was not allied with the Government, but, on the contrary, supported the Kuo-Min-tang Party.

And now an extremely strange situation has arisen. The generals adhering to the Kuo-Min-tang Party are being joined by other generals, who declare themselves in sympathy, although there are also generals who are still on the fence.

If the map of China is painted in distinguishing colors, it will show that the armies of Chang-Tso-Lin and Tuan-Chi-Jui occupy Manchuria, adjoin Peking and extend to the South in a thin strip. In addition a small province in the South near Shanghai belongs to the "Anfu" Party.

Besides this there are slices which might be colored red and which belong to the Kuo-Min-tang Party: a large slice of territory in the South around Canton, part of the territory near Hankow, and the territory between Hankow and Peking.

There are, furthermore, very extensive regions which can be colored a pale pink shade and which are held by generals who consider themselves in sympathy with the Kuo-Min-tang Party.

Finally, a vast area is occupied by the generals who are still on the fence.

Such is the situation of China at the present moment.

At the same time Tuan-Chi-Jui, as is known, is summoning a conference, but it turns out to be a conference of generals designated by the Government. Sun-Yat-Sen has declared that he will not participate in this conference. The Kuo-Min-tang Party has decided to boycott the conference.

What will happen further we have still to see, but one fact remains certain, and that is the fact that the Kuo-Min-tang Party has entered upon the arena of Chinese public life on a national scale, and that around the Kuo-Min-tang Party are gathering all the elements standing for the creation of a centralized democratic China and fighting against foreign imperialism.

On the Chinese-Eastern Railroad the situation has rapidly improved. Our position there is becoming firmer, a well-functioning Soviet-Chinese organization for the management of the Chinese-Eastern Railroad having been established there.

Ivanov* has straightened out matters there so well that even the foreigners express astonishment at the technical improvement of the road and the rapid increase of its revenues.

Consolidation of the Soviet Union's International Position in Asia

The consolidation of our international position is crowned, as Rykov has observed, by the signing of the Soviet-Japanese agreement.

*The Soviet manager of the railroad.

Japan has returned Northern Sakhalin to us. This is eloquent testimony to the fact that friendly relations with us possess great political importance for Japan.

Indeed, at present, when, due to the increasing relative importance of the dominions, the enmity of the white man toward the colored races plays an ever growing part in the policy of many nations, when America has excluded Japanese immigration and when the Philippine Islands constitute her base, when Singapore is the seat of a military base in the event of war with Japan—the protection of her rear has substantial significance for Japan. And friendly relations with us are such a protection for Japan.

But there are still other and more important causes. Japan's entire policy must change with the altered relations in the Pacific. The more Japan feels the hostile attitude of the British Dominions and America, the more Japan must look for support in international relations in Asia and the greater the role that rapprochement with the Soviet Union must play in Japan's future.

Conclusion

Toward the close of the elapsed year we traversed a grave moment in our international relations in the West. That has now been surmounted.

A slackening is beginning to be felt in the tension recently existing in our relations with England, and the possibility of an agreement is commencing to be perceived in our relations with France.

Nevertheless, we must always take into account the fact that as the result of some unfavorable circumstances the united front of the imperialist nations against the Union of S. S. R. may suddenly be created once more.

The danger of the formation of such a united front is not yet passed for us and it is hardly possible that it will pass by quickly.

We must always bear in mind that, whatever our efforts in the sphere of our diplomatic relations, in the final analysis we must rely only upon ourselves, that is, upon the unity and cohesion of our masses.

And that unity and cohesion is supplied only by class consciousness, which can in turn be attained only by spreading the ideas of Leninism among the broad masses.

The ideas of Leninism—these are our ideological solder, which is our greatest strength and thanks to which none of the designs of our enemies are terrifying to us.

This is our bulwark, this is our hope for the future. In this regard the ideas of Leninism and their spread among the masses possess the utmost diplomatic significance, for they are the strength which makes us like a cliff against which are shattered all the devices of our enemies.

Relations with Japan and China

IN an interview given to a correspondent of "Izvestia" late in March, Mr. Kopp, the Soviet Union's plenipotentiary representative in Japan, made the following statements:

"There is no doubt that the Soviet-Japanese agreement is one of the most important political documents of our day. It not only lays a formal foundation for the renewal of diplomatic relations between two great powers that have been separated for the past seven years; it not only sets up a firm framework wherein the most momentous economic questions, of vital significance to the Japanese people, such as the question of the fisheries in Far-Eastern waters and the question of coal and oil concessions in North Sakhalin, will be solved in the near future to the mutual advantage of both parties; but also—and here rests its essential import—it puts an end to the period of uneasiness and instability in the Far East resulting from the absence of amicable neighborly relations between the two great Far-Eastern powers, and it furnishes a basis for their manifold cooperation in every field where their mutual interests touch.

"The rapprochement and collaboration of the Soviet Union and Japan threaten the interests of nobody and will not occur at the expense of anybody else. The Soviet-Japanese agreement is an instrument of peace. The Soviet Government has no intentions other than to utilize it for the development of economic and cultural interrelations between the peoples of the Soviet Union and the Japanese people. The State system of the Soviet Union, founded upon the complete equality of the numerous nationalities inhabiting the vast territories of the Union, is the best guarantee that this aim of manifold rapprochement and cooperation will really be attained."

Confirmation of Agreement Concerning Chinese-Eastern Railroad

On March 15 it was reported from Peking that the Chinese Government had confirmed the agreement between the Union of S. S. R. and General Chang-Tso-lin, governor of Manchuria, with regard to the Chinese-Eastern Railroad, accepting the provisions as supplementary to the Soviet-Chinese Treaty concluded in May, 1924.

Soviet Forces Leave Mongolia

On March 6 Mr. L. M. Karakhan, the Soviet Ambassador, transmitted a note to the Chinese Minister for Foreign Affairs to the effect that the Soviet forces had departed from Mongolia.

The next issue of the Russian Review will contain a large double-page map of the European part of the Soviet Union showing all the administrative subdivisions.

Cultural Life in the Soviet Union

Oriental Section of the Fine Arts Museum

DURING the current academic year a Christian Oriental Section was opened to the public in the Moscow Museum of Fine Arts. This section consists chiefly of high-grade examples of the manuscripts and art of Christian Egypt. The splendid collection of the so-called Egyptian fabrics originating from the Akhmim Coptic cemetery, merits special attention. All these textiles may be compared as to their technique with Gobelins products.

In the section for the Christian Orient, specimens of sculpture and epigraphy, such as tombstones, etc., are excellently represented; some of them still show the influence of ancient Egypt, as for example, the representation of the sign "Ankh," or the similarity of certain tombstones with the ancient Egyptian symbol of the door. Of the monuments of the artistic production of Christian Egypt there are particularly to be pointed out the wood carvings, the ceramics, the objects of bronze and ivory, all of them being chiefly of ecclesiastical nature.

Of the very full collection of literary monuments, particular mention is due to the Coptic manuscripts on parchment from Akhmim. Several of the leaves have vignettes with curious representations of birds and various animals. There are also literary specimens on papyrus, both religious and commercial in character. The Section which has just been opened consists chiefly of objects in the collection of V. S. Golenishchev, and also of other objects recently acquired by the Museum.

In the course of the present year the Oriental Section of the Fine Arts Museum has succeeded in obtaining a valuable monument of Persian art, namely, King Artaxerxes' seal. On the cylinder the king is represented in war-like raiment with a halo over his head, and a sceptre, the point resting on the ground, in his hand, leading by the other hand three fettered prisoners in foreign dress, wearing turbans on their heads. The whole composition is framed with the branches of a date palm. The space between the palm and the scene depicted is filled with a Persian cuneiform inscription of the following words: "I am Artaxerxes, the Great King." The cylinder here described differs from that of King Darius, in the British Museum, with which it may perhaps be compared, by the fact that the inscription is not accompanied by any Babylonian or Anshan translation. The execution of this cylinder is distinguished by its delicate and artistic quality; the material is fine chalcedony. Owing to the artistic and historic significance of this specimen its acquisition is of exceptional importance and value; it is already being studied by specialists.

In the Field of Oriental Numismatics

IN the State Historical Museum at Moscow an unusual rich collection of oriental coins has now been gathered. Supplementing the Museum's own collections, it has now had transferred to it the collections of the Rumyantsev Museum and what is perhaps the richest private collection in the world, that of M. V. Zubov, the materials of which have more than once furnished subjects for the labors of such famous numismatists as O. F. Retovsky, and Markov.

Unfortunately, the absence in the Museum of the necessary means for a tolerably adequate equipment of museum cases for the numismatic collections is holding up the study of the collections, and they have thus far remained under lock and key.

One of the numismatists of Moscow has completed a scientific study of an extremely interesting treasury of oriental coins consisting chiefly of coins of the Golden Horde and the Ghirai Khanate of the Crimea. This treasury was contained in a glazed vessel with an extremely curious inscription and consisted of Golden Horde coins beginning with Mengü Mimura and going as far as Tokhtamysh (first collection); from Burdi-Pek to Devlet-Birdi (second collection); the contemporaries of Mengli Ghirai in Turkey and Russia (third collection); and from Ghazi-Ghirai II to Selemyat Ghirai I (fourth collection). The first two collections were contained in a jug which was standing at the bottom of the vessel and was two-thirds full of coins of Mengli Ghirai and his contemporaries; these coins were covered with a piece of felting, over which wax had been poured, and above this covering the vessel was filled to the top with coins of the fourth collection. The inscription on the vessel was excellently preserved, and from it it was apparent that the owner of this treasury had received these coins as a bequest from his father and grandfather, and, having been ruined on the day of the death of Semriest-Ghirai I, who had paid him beyond his means, no longer having any children or relatives, he bequeathed the remnants of his wealth for purposes of education, with the request that it be used for teaching the truth that only "God is rich and you (people) are poor." The writer, if not the author, of the inscription displays an acquaintance with literature and cites words, among others, that suggest that he was also acquainted with biblical literature. (The beginning of the inscription is equivalent to the line "to whom I bequeath my sorrow," and in the text there is a sentence closely approximating the verse: "Blessed is he who walketh not in the counsel of the ungodly," etc.). The inscription is in the Arabic language and appears on the vessel in perfect grammatical and caligraphic form.

Twelve hundred coins of this treasury, those best preserved, were placed in one of the collections; the remainder, unfortunately, was melted down and the vessel was destroyed.

Vernacular Literatures of the Non-Russian Nationalities in the U. S. S. R.

IMMEDIATELY after the beginning of the Revolution, a far-reaching activity of a literary and publishing nature set in among the various nations that were later to band together in the Soviet Union. Not only communities of ancient culture, but even younger peoples, until recently barely literate, attempted to create a national literature of their own and to translate Russian works into their own languages.

Unfortunately the various peoples, owing to the revolutionary conditions, have not been able to collect, preserve, and classify their literature. A number of publications have altogether disappeared from the market, and may be found now only in private collections. To be sure, thanks to the work of the Lenin Library in Moscow, and of the Central Library, many rare publications in the vernacular have been preserved.

The Central Publishing House for National Minorities is only beginning to approach the task of a bibliographical catalog of the vernacular literatures. A reference catalog of this character is in course of preparation.

One of the chief circumstances that impedes the literary development of the oriental peoples is the Arabic alphabet, which must be considered antiquated, from the standpoint of modern civilization. One of the most important conditions, therefore, of the general, cultural, and literary progress of the oriental nations is a reform of the Arabic alphabet, or its complete abandonment in favor of the Latin alphabet. A number of attempts to reform the Arabic alphabet have been made in the Tatar Republic and in Turkestan. The entire substitution of the Latin alphabet for the Arabic alphabet is being propagated in Transcaucasian Azerbaijan by a special organization, which has already published a tabular synopsis of the new Turkish alphabet, a pamphlet concerning the new rules of orthography, text books, popular political booklets, dictionaries of foreign words that have become a part of the native dialect, the first issue of the periodical *Geleyjan* ("The Future"), and the newspaper *Yeni Yol* ("The New Path").

This new alphabet should not be considered merely as a theoretical accomplishment of the national civilization of Azerbaijan, but is already beginning to be taught in the schools and gradually introduced in the University.

A similar propaganda for the use of the Latin alphabet is also being conducted among the Yakuts, who have hitherto been using a modification of the Russian alphabet. The partial introduction

of the Latin alphabet has already imparted great stimulus to the progress of Yakut literature.

The publishing activities of the national minorities have increased considerably during recent months. A few of the publications of the last two months of the year 1924 may be mentioned as examples.

"The Economic Policy of the U. S. S. R.," a book written in the Tatar language by A. Akhmed, gives an exhaustive treatment of the economic structure and the economic evolution of the Soviet Republics. Very important also, from the practical standpoint, is Faisullin's book, "The Problems of Consumers' Cooperative Organizations," which traces the history of the cooperative movement and describes the specific peculiarities of the situation of the cooperatives in the U. S. S. R. A number of Tatar publications are devoted to an interpretation of the conceptions underlying a communistic order of society, among others Nigmati's book, "Communism." The publication of Communist literature for children has also been started in the Tatar Republic. Mukhvar's book, "The Communist Movement among the Children," depicts the life of the "Young Pioneers" ("Boy Scouts") in the other Soviet Republics, as well as the activities of children's organizations abroad. This book contains a number of illustrations from the lives of French and German workingmen's children. An illustrated weekly for children, *Kechkone Iddashlyar* ("Young Comrades"), is of value particularly for the reason that it contains contributions from the pens of Tatar children, drawings by the children, etc.

Among the most recent works of belles-lettres among the Tatars mention must be made of *Spartacus*, a novel by I. Gurovich, translated into Tatar by Shafar, and a volume of poems by the Tatar poet Sakhire Baichuriney. Social and political themes predominate in the works of this young poet, as well as pictures of the famine period in 1921. The best poems in this volume are devoted to the woman and the maiden of the Orient, and to their legal position, under which they formerly had no rights at all.

A large periodical, *Shao Kasek*, is appearing in the Kirghiz language, issued by the Kirghiz District Committee of the Communist Young People's League. This periodical is intended to be read by youthful persons, and contains the following departments: Economic Situation, Social Science, Politics, Literature, Culture, Self-education. The Literary Section of this periodical is the best part of it; it is adorned by the novels *Tobarbay and his Wife* and *The Soul-Tragedy of Shanabay*. The periodical also contains literary criticisms, which are an entirely new feature in the Kirghiz press.

There are numerous translations of Russian belletristic productions into the Kirghiz language, including: Shumbayev's translations of Gorky's "Fairy-Tales," Baitursamov's translation of Krylov's "Fables," and a number of poems by Pushkin

and Lermontov, translated into Kirghiz for the first time by Abayev. Among the works of a popular scientific character are to be mentioned Gremiat-sky's book "How Life Originated on Our Planet," which presents the theories of modern science in a dress that adapts them to the average understanding.

A number of textbooks have appeared in the Bashkir language. Stuchka's "Constitution of the R. S. F. S. R. and of the U. S. S. R." was translated into Bashkir by Buruan. For the first time a scientific textbook has been published in Bashkir, namely, "Man and Nature." Modern Bashkir poetry is best represented by a collection called "Songs of Lamentation," issued on the occasion of the death of Lenin, as well as a volume of poems by Davud Yulta, "Kumartkilarim." The "Songs of Lamentation" emanate from forty-three poets, and include a number of splendid examples of the social lyricism of the Bashkirs. Owing to the present phase in the development of the social life of Bashkiria, contemporary Bashkir poetry no longer concerns itself exclusively with its former subjects of natural beauty, youth, etc., but devotes its attention more and more to the national and social topics of the new Bashkiria.

The Yakuts, who are almost exclusively occupied with agriculture and live stock-breeding, are interested chiefly in the publication of books on agriculture. Volumes have appeared in Yakut on Fertilizers, Farming, Rabbit-Breeding, Fox-Breeding. The latter may be surprising, but it should be remembered that the Yakuts are now taking up the raising of foxes for their skins. A very important translation into Yakut is that of Speransky's book, "The Peasant Mother's ABC," which is much needed, as the ignorance prevailing among the Yakuts with regard to the most rudimentary laws of child hygiene has given rise to an immense infant mortality in the Yakut Region.

A series of books called "Lenin's Legacy" is appearing in the Uzbek language. This series already includes ten titles: Radek, *Lenin as a Revolutionary Leader*; Zecher, *The Proletarian Champion of the Peasantry*; Sobolev, *Lenin and the Present Day*; Lyubimov, *Lenin and the Emancipation of Women*; Lilina, *The Man Lenin*; Sevastyanov, *Lenin and the Peasantry*; Zecher, *Lenin*; Kamenev, *Lenin and his Party*; Rysdulov, *Lenin and the Oriental Peoples*.

A pamphlet by Arkov on "The Formation of the Autonomous Moldavian Socialist Soviet Republic," is the first attempt at the production of a political literature in the Moldavian language.

Among the various publications in the Lettish language, "The Lettish Peasant's Calendar," and the "Labor Calendar," for the year 1925 may be mentioned. In addition to a number of practical hints in farming, housekeeping, etc., these calendars also contain several political and literary articles.

Most of the books appearing in the Yiddish language deal with political and economic questions of the present day.

The above data concerning the literary and publishing activities of the peoples of the U. S. S. R. during the past two months by no means exhaust the number of publications of the above-mentioned nationalities, nor do they include the numerous other peoples dwelling within the U.S.S.R. (as, for example, a number of Transcaucasian peoples, the peoples of the Ukraine, White Russia, etc.). Yet these isolated indications are intended to convey a general notion of the intensity of the literary activities of the various peoples constituting the former Russian Empire, who have but recently awakened to a national cultural life.

The Art of the Book in the U. S. S. R.

SIMULTANEOUSLY with the increased interest in books, there have arisen everywhere in the U. S. S. R. demands calling for an artistic external appearance of books, as well as for their technical perfection.

In view of the above condition, it of course became necessary to study the questions connected with the physical appearance of the book. With this purpose in view, the State Publishing House created a Committee to study Russian illustrated publications, the name of which was later changed to the "Commission for the Study of the Arts of the Book."

The function of this Commission was to inaugurate a study of the arts of the book, past and present, an investigation of book illustrations and decorations, covers, bindings, beautiful and practical formats. Since the type may be regarded as one of the most essential elements in the production of a book, the Commission devoted particular attention to the study of the theory of printing types for books.

The results of the activities of the Commission have been published in the book: *Twenty-five Sessions of the Commission for the Study of the Arts of the Book*. Among the contributions appearing in this book particular interest attaches to the following: A. A. Sidopov: "An Introduction to the Theory of Printing Types"; M. I. Shchelkunov: "Principles Underlying the Esthetics of Printing Types;" V. Y. Andryukov: "A Bibliography of Russian Printing Types"; V. Y. Favorsky "Printing Types, their Classes, and their Relation to Illustrations"; P. P. Shibanov: "Masterpieces of Russian Book Illustration in the Eighteenth Century"; N. F. Garelin: "The Physical Aspect of the Present-Day Book in Germany"; M. I. Shchelkunov: "The Fundamental Rules of the Typographic Art," and "Fundamentals of the Art of the Book."

Placard Newspapers

THE so-called placard newspapers are beginning to play an important part in the general activities of the Soviet press. These placard newspapers, both in their character and in their external appearance, are a combination of newspaper and poster. Destined to be posted on a wall, their function is to attract the reader's eye and to afford him a general survey of the available news material without the expenditure of too much nervous energy. These placard newspapers originated during the paper scarcity, in the years of intervention and blockade, and were first used in the barracks of the Red Army. They spread rapidly into the factories, the Soviet institutions, the clubs, and even into the schools, and have recently developed into an instrument of education and instruction for the rising generation.

The civil war years are past, as are also those of economic disintegration and of various crises (including the paper crisis). The number of Soviet newspapers, and the size of their editions, are constantly increasing; but the placard newspapers have not only not disappeared, but are daily entering more and more into the life of the people, their functions expanding more and more. How is this astonishing vitality of the placard newspapers to be explained? It surely cannot be explained as the result of an economy in newspaper; it must be explained by other factors, more intimately connected with their nature and character. The strength of the placard newspapers lies in the fact that they satisfy a widespread need in the labor community of industries and government offices, for this labor body is eager to possess its own publicity, its own press, its own public exchange of opinions. And it is therefore not merely the external character of the placard newspaper—its poster character—that has led to its securing a prominent place in the general system of the Soviet press; the placard newspaper might perhaps disappear as a poster on the walls, but it has conquered a firm and lasting foothold in its capacity as a "press organ" of the labor community.

It is by no means the ambition of the placard newspaper to supplant the printed periodical. Its object is rather to throw light on such questions as cannot be treated in the columns of the general newspapers, for lack of space. Since the problems of social life and of production have ceased to be regarded as private questions, each labor community, having been entrusted—as it were—with the safeguarding of a certain section of the Soviet economy, has found it advisable to encourage a public discussion of the current problems of its specific production, and to induce all its workers, even the most backward, to take part in this discussion. The placard newspaper is par-

ticularly devoted to these specific interests of each industry.

The scheme of organization of the placard newspapers is a very simple one. The editorial board usually consists of from three to five members, and its function is not only to make up the paper, but also to raise the cultural, and—so to speak—the journalistic standards of the readers, to interest them in the local needs of the industry, and also in general political questions. The actual kernel of the newspaper is the extensive staff of correspondents in all the branches of the industry, who do not only write about the work of their own sections, but are constantly engaged in recruiting new correspondents. The Board of Editors organizes special circles for workers who are just beginning their work, establishes groups of worker-correspondents, supervises their training, and thus aids in strengthening the relations between the public press and the daily life of the individual establishments.

A still more responsible task is that assigned to the placard newspaper in the village, where it often has to serve as a substitute for any newspaper at all. Here the placard newspaper must teach the backward peasant how to read the papers, and simultaneously serve him as a ready reference work to answer the most complicated questions of the new social reality with which the village-dweller may be confronted. In view of the backwardness of the Russian village, the work of the placard newspaper is a cultural factor of the first importance, which has still to perform great tasks in combating prejudices and other remnants of the Tsarist tradition. The placard newspapers rally to their support the advanced young people of the village, as well as peasant correspondents and all the active elements in the village population, and thus the cultural level of the village is being constantly raised.

Publishing Activities

According to statistics issued in March, 1925, the following number of books, magazines, pamphlets, etc., has been published in the U. S. S. R. during the years 1922 to 1924 inclusive:

1922	58,200
1923	170,600
1924	245,900
Total	474,700

The number of books published during the same period is shown by the following figures:

1922	10,700
1923	18,600
1924	29,100
Total	58,400

The number of books issued in the U. S. S. R. in 1924 exceeds the annual pre-war average of 28,800.

Miscellaneous News

Anglo-Soviet Trade

In an interview appearing in the March 15 issue of "Economic Life" (Moscow), the organ of the Supreme Council of National Economy, Mr. G. I. Greaves, who is visiting the Soviet capital as the representative of Becos Traders, Ltd., London, foreshadows plans for materially increasing the volume of Anglo-Russian trade. Becos Traders is a combination of 200 British industrial firms originally formed before the war to develop trade with Russia. In his interview Mr. Greaves says:

"The purpose of my visit to Moscow is to develop trade relations between England and the Soviet Union and to conclude an arrangement direct with the Soviet organizations to which our combination can now offer credits on a much larger scale than hitherto. We believe that the establishment of direct commercial relations between the Soviet organizations and British firms will facilitate a great increase in the trade turnover. Our organization is preparing for a much larger scope of transactions.

"At the present moment Becos Traders, Ltd., are prepared to offer on a consignment basis a number of commodities, starting with factory tools, technical implements and supplies, metal products, agricultural tools and machinery, and equipment for the mining, textile and sugar industries, in the aggregate amounting to millions of gold rubles. We are also prepared to undertake construction work of various kinds in the Soviet Union.

"The members of our organization are highly optimistic about future developments."

British Trade Unions on Renewal of Soviet-English Negotiations

On March 25 the General Congress of English Trade Unions in London passed a resolution calling for the resumption of negotiations between the British Government and the Soviet Union for the restoration of complete diplomatic and commercial relations as an indispensable requirement for the alleviation of continued unemployment in England and the assurance of peace in the East.

Increase of Labor Productivity

Reports from various lines of Soviet industry show that production costs decreased greatly in the Soviet Union last year and labor productivity increased remarkably. The increase in labor productivity was particularly marked in the heavy industries, in which the increased per capita production ranged from 25 to 40 per cent.

As a result of this prices materially declined and the gap between buying capacity and producing costs was greatly narrowed. Typical of

this condition was the cotton textile industry, which started the year with a large surplus of unsold material and ended with a demand exceeding the supply. Between July, 1923 and September, 1924, the price of cotton textiles was lowered four times, the aggregate decrease being 41 per cent. In leather prices fell from 27 to 33 per cent during the year and in wool textiles 3 to 14 per cent.

The increased productivity of labor is shown by a comparison of the percentage of increase of the workers in various industries as compared with the percentage of increase in output for the industries. These percentages of increase for the fiscal year 1923-24 over the figures for the fiscal year 1922-23 are as follows:

	Percentage of increase for last year over previous year:	
	Workers	Production
Coal Mining.....	6	31
Iron Mining.....	52	114
Metal Industry (pig iron, rolled iron, steel)....	18	48
Cotton Textiles	20.1	35 to 50
Leather Industry:		
Tanneries.....	3.2	6.9
Shoe Factories.....	9.4	26
Chemical Industry.....	30	70
Flax Industry.....	26	31

The improved showing is attributed to improved wages and working conditions, better technical management, development of more efficient machinery, decreasing overhead expenses, and the stabilized currency.

During the year the average wages paid in industry were increased 30 per cent. They are now higher than pre-war wages except in the metal industry and the mining industry.

Change of Kirghiz Capital

The capital of the Kirghiz Soviet Republic is to be transferred from Orenburg to Akh-Mechet (formerly Perovsk), which is situated on the river Syr-Daria near the half-way point of the railway line between the Aral Sea and Tashkent.

Flax Growers' Cooperatives

The progress of cooperation among flax growers can be seen from the growing number of organizations and members affiliated with the Central Union of Flax Growers ("Lnocentre"), as follows:

	Number of federations amalgamated in "Lnocentre"	Number of primary organizations	Number of Cooperated farmers
August 1, 1923	34	3,881	202,000
January 1, 1924	37	4,289	259,400
July 1, 1924	87	5,001	391,400

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Railroad Reconstruction in the Soviet Union

EVERY department of railway equipment underwent heavy damage during the period of intervention and civil war.

Railroad structures and stations suffered most severely. Thus, 3,672 bridges were put out of commission, the length of the destroyed spans aggregating 78½ kilometers; 570,000 meters of buildings, 2,000 kilometers of road-bed, and 406 water storage and pumping installations, as well as many other structures, were demolished; and an immense number of locomotives and cars was wrecked, blown up, burned or damaged in various other ways.

During the first half of the year 1920 the number of disabled locomotives rose to 8,241, or 60 per cent of the total, as compared with 2,739 disabled locomotives in 1917. The percentage of incapacitated freight cars increased from 12 per cent in 1918 to 24 per cent in 1920. The lack of skilled workers and materials rendered repairs impossible. The surface equipment (ties, ballast, rails) had fallen into a state of dilapidation. Tie replacements were 60 per cent in arrears, so that the safety of railway traffic was endangered. The volume of traffic decreased. The transportation of private freight ceased altogether. Only government freight was carried according to any definite schedule. The stocks of materials and fuel were extremely meager. At first the roads had run on old supply reserves. Generally the stock of fuel on hand, chiefly firewood, was sufficient for only one or two days. Such was the condition of the railroads toward the end of 1920, when military activities were on the point of termination.

The years following 1920 were crowded with persistent, strenuous efforts for the reconstruction of the railway transportation system. The first task of the Commissariat for Transports consisted in improving railroad equipment to such an extent as to assure safe, regular service and in increasing the number and capacity of trains in proportion to the needs of the day and of the general economic revival then setting in.

During the period in question the People's Commissariat for Transports carried on this systematic work under the most unfavorable circumstances. The execution of the railroad reconstruction plans had to be postponed owing to the pressure of winding up the military campaigns and also due to the struggle against the crop failure and famine of 1921, which put a terrific strain on the railway system through the necessity of handling the shipments of the American Relief

Administration and transferring grain to the stricken areas from the good harvest regions, situated for the most part at great distances, as, for instance, in Siberia.

The rolling stock was improved by increased repairs in accordance with a definite program, which was carried out satisfactorily despite the lack of materials and equipment and the shortage of skilled workers.

The stock of undamaged locomotives grew larger and larger, and in August of 1924 the reserve of good locomotives not in use amounted to 2,800, the total number of locomotives being 20,058.

Although the total number of good freight cars shows a decrease in comparison with 1913, it is nevertheless quite high, as may be seen from the fact that on August 1, 1924, there was an unused reserve of 42,611 good freight cars. In order to meet the requirements of urgent seasonal shipments, mainly in connection with the movement of the crops in autumn, the Commissariat for Transports has expanded the repair program.

The stock of available passenger cars has been augmented by repairs, but the total now in use is still below the present traffic requirements.

The Commissariat for Transports has gradually introduced a number of measures to improve the organization and increase the efficiency of the locomotive repairing system. Thus, the entire stock of locomotives in good repair has been distributed among the various roads in accordance with the line grades, the condition of the road-bed and auxiliary installations, and the volume of traffic, suitable engines of like design being allotted to each section.

A steady and considerable increase of locomotive repairs has been achieved through the application of scientific methods to repair shops, the improvement of equipment, the concentration of work in individual shops, and similar measures.

Great progress was made in the effective utilization of the available stock of freight cars by restoring the general agreement that existed before the war concerning the mutual use of freight cars and the maintenance of proper car records by the various roads. Simultaneously regulations were established for the consumption of fuel with an award of prizes for economies in its use, together with rules for stocking and recording locomotive fuel, etc.

The Commissariat for Transports has also outlined a program for the repair of locomotives and

cars during the next few years on the basis of the volume of anticipated future traffic.

The first problem in the rehabilitation of railroad operation was the reconstruction of wrecked bridges. Of the aggregate of 3,672 destroyed bridges with a combined span length of 78½ kilometers, by October 1, 1924, a total of 2,301 bridges with a combined span length of 58 kilo-

Years	1920
Replacements Planned.....	17,000,000
Actually Replaced.....	9,000,000
Percentage of Program Executed.....	35
Impregnated Ties among Replacements.	1,200,000

The railroads are provided with 80 per cent of the equipment needed for protection against snowstorms, while the number of snow-plows is greater than before the war.

Of the technical and auxiliary structures those most vital to operating requirements have been restored, and special attention has been devoted to the reconstruction of warehouses.

The improvement of freight transportation was accomplished by regulating the movement and priority of shipments, by prompt and efficient loading and unloading, and by devising methods for the most advantageous utilization of rolling stock.

The problem of regulating and defining the interrelations between the transport organizations and the shippers and passengers was solved by framing a new Railroad Code, which was approved by the Council of People's Commissars on June 12, 1922, and put into effect on August 1 of the same year. This is the most important railway legislation of recent years. The new code regards the railroads as juridical persons and makes them answerable for obligations assumed toward shippers, for loss of and damage to baggage and freight, and for delay of shipments.

The improvement in the utilization of rolling stock was accomplished principally by increasing the speed of freight car movements, by using the full loading capacity of each car, by reducing the circulation of empties, by ascertaining the main currents of traffic and the direction of newly developing freight shipments, by bringing the carrying capacity and maximum traffic density in line with actual requirements, by establishing special through trains to promote mass transportation, by specialization of trains and cars, by improving locomotive switching operations, by increasing the number of cars per train, etc.

To assure regularity of passenger service the Commissariat for Transports directed its efforts toward enlarging the supply of usable coaches, which had been greatly impaired during the civil war.

Rolling stock restored to service through the intensification of repair work, was made the property of the roads that originally owned it. Subsequently trains were made up with a single type

of cars and box cars were removed from passenger trains. Passenger travel was brought up to pre-war level of comfort by the use of through cars and trains, the installation of steam heat, gas and electric light, sleeping accommodations, and, finally, by increasing the speed of trains and running them on schedule time.

The following table shows the number of ties required and the actual replacements during the period extending from 1920 to 1924:

	1921	1922	1923	1924
Replacements Planned.....	17,000,000	18,000,000	20,000,000	17,800,000
Actually Replaced.....	7,000,000	10,000,000	17,800,000	17,487,000
Percentage of Program Executed.....	41	54	89	98
Impregnated Ties among Replacements.	600,000	1,160,000	4,600,000	8,400,000

of cars and box cars were removed from passenger trains. Passenger travel was brought up to pre-war level of comfort by the use of through cars and trains, the installation of steam heat, gas and electric light, sleeping accommodations, and, finally, by increasing the speed of trains and running them on schedule time.

While the above-mentioned measures were being instituted, the Commissariat for Transports was introducing scientific methods in its operating department, making extensive use of efficiency principles, which finally resulted in considerable reductions in operating costs.

The commercial exploitation of railroad transportation entailed the following fundamental factors:

1. Economic surveys of the regions served by the railroads;
2. The elaboration of tariffs;
3. The formulation of transportation rules and regulations;
4. The organization of claim departments; and
5. The organization and further exploitation of auxiliary operations.

Under present conditions economic surveys are badly needed. In order to obtain a complete picture of the developing demands for transportation service the Commissariat for Transports has submitted a standardized survey plan to all the railroads.

The rate tariffs were elaborated in accordance with the paying capacity of each class of freight and with a view to covering the operating expenses of the transportation system.

Much was accomplished by the Commissariat for Transports in formulating the specifications and provisions of railway regulations covering the transportation of freight and passengers.

In connection with the responsibility for the safety of shipments, the Commissariat for Transports adopted the measures necessary for the improvement of its claim department and issued instructions to its local offices for the proper handling of such claims.

Business promoting measures, city offices and commercial agencies were adopted for the pur-

pose of attracting passengers and freight to the railroads and fostering the economic revival of the regions served by the railways by rendering special services to customers. These services were designed to facilitate the use of the transportation system; the railroads also take part in transactions on a commission basis.

Agreements are gradually being concluded for the exploitation of private spur lines. Considerable progress has been made in handling refrigerated shipments. Trunk lines have been put into operation for the transportation of perishable commodities in refrigerated cars and special rules have been elaborated for this class of shipments. Plans have also been laid for the repair of refrigerated freight cars.

The exploitation of grain elevators was improved by placing under railway management most of the elevators located on the railroad lines.

Important work has been done by commissions created for the purpose of eliminating inefficient management and defects in the transportation system. As a result of their efforts expenses have been reduced in all branches of railroad operation.

In order to combat the occurrence of railroad casualties, the strict recording and analysis of all accidents was initiated in 1922, all cases being classified into different groups according to causes. A special bureau was opened for this purpose in Moscow and the material gathered by it forms the basis for the devising of preventive measures.

The new scope of the country's economic life has prompted the Commissariat for Transports to institute a sweeping reform of both its central and its local organs. The main bureau was rendered more compact and reorganized to correspond with its basic functions—railroads, ocean shipping, river and highway transportation, and a limited number of subsidiary central departments. At present a reorganization is being carried out along the lines of the administrative system employed by the German railroads.

In June 1922 State Railway Boards were instituted in the various districts to manage the different railroad lines and to keep in touch with the local industrial bodies. These Boards have taken the place of the local commercial and economic centers; they have at their disposal the basic capital in the form of the roads, buildings and other structures, and the rolling stock, as well as the working capital in the shape of fuel reserves and materials, auxiliary establishments, and State appropriations in cash and materials.

These Boards were accorded a large measure of independence and initiative as regards the technical and commercial operation of the roads, the provision of supplies, finances, and the determination of local rates. Since the creation of managing boards for individual lines strong emphasis has been put upon decentralization.

A notable achievement for the Commissariat for Transports is the fact that the entire work of rail-

road construction has been placed under its exclusive supervision.

The figures in the following tables throw much light upon railroad operation in the Soviet Union and reveal the enormous labor performed by the Commissariat for Transports toward the reconstruction of the transportation system:

	1918	1921-22	1922-23	August 1924
Total Locomotives	20,320	19,067	19,525	20,053
Locomotives Repaired and in Service	14,050	5,589	5,800	6,097
Locomotives Repaired but not in Service	2,372	1,241	2,375	2,800
Locomotives Unrepaired	—	12,237	11,350	11,160
Total Freight Cars	502,101	422,100	403,907	487,584
Repaired Freight Cars	381,662	291,692	274,045	295,638
Repaired Freight Cars in Reserve and not in Service	31,700	23,184	43,232	42,616
Crippled Freight Cars	—	130,408	129,862	141,926
Percentage of Freight Cars Crippled	—	30.9	32.2	32.4
Total Passenger Cars	—	25,108	26,050	28,831
Crippled Passenger Cars	—	12,342	15,208	15,241
Percentage of Crippled Passenger Cars	—	49.2	58.4	52.9

The table below shows the considerable improvement of the condition of the locomotives and the relative improvement of the freight cars:

	1921-22	1922-23	1923-24
Ton-kilometers (mil.)	16,080,109	23,510,960	33,730,048
Engine-kilometers	202,036,000	228,978,000	350,461,000
Unproductive mileage	39.1%	35.0%	31.0%
Train-kilometers	123,051,000	148,803,000	200,461,000
Car-axle kilometers	7,655,472,000	9,117,004,400	10,775,474,000
Average daily loadings (carloads)	9,590	11,744	13,579

The growth of the average daily loadings and the improvement of freight transportations are shown by the following table:

	1918	1921-22	1922-23	August 1924
Average daily run of operating locomotive in freight traffic (kilometers)	119.5	90.5	107.8	112.4
Average daily run of a freight car (kilometers)	74.7	32.9	46.6	57.3
Average freight car load (tons)	10.6	8.4	10.6	11.8
Commercial speed (kilometers) of average freight train in both directions	13.5	12	12.5	14.6
Technical speed (kilometers)	—	—	18	21

The productive work of the railroad transportation system is steadily improving, the train mileage is increasing continuously, and the average make-up of trains exceeds the pre-war standard.

Such are the methods whereby the Commissariat for Transports is reconstructing railway transportation. The work has been carried on under very serious handicaps of a technical, as well as of an economic and financial, character. A great deal has been accomplished, but even more remains to be done in the immediate future.

The State Fishing Industry

DURING the period preceding the Revolution the entire fishing industry was in the hands of private operators. In the majority of regions in this industry 50 per cent of the catch was organized through the use of hired labor on fisheries rented by capitalist entrepreneurs, while the remaining 50 per cent was conducted by individuals on a small scale. The subsequent manipulation of the fish was carried on almost exclusively by establishments belonging to capitalists.

In the year 1918 the fishing equipment, buildings and fleets were completely nationalized in all fishery regions, and in 1922 the necessity of a division of functions was recognized—the management of the strictly nationalized fishing industries, and the administrative and economic management of all of the Republic's fishery resources, the establishment of methods for their exploitation, the regulation of the industry and supervision over the compliance with fishing rules.

Toward the beginning of the World War the total fish catch of European and Asiatic Russia reached 73,000,000 poods annually, of which the Caspian basin yielded 41,500,000 poods (56 per cent of the total catch); the Azov region—2,000,000 poods (2.8 per cent); the White Sea-Murmansk region—1,250,000 poods (1.7 per cent); the Aral basin—2,350,000 poods (3 per cent); and the Far-Eastern Region—10,750,000 poods (15 per cent).

The original attempt to keep the entire fishing industry in the hands of the Government is at present regarded as inexpedient, and the State Fishing Industry has retained it only partially in the most productive regions, where capitalist operation formerly existed, namely, on the estuaries of the Volga River and the Ural River (Volga-Caspian Trust), on the west coast of the Caspian Sea (the Daghestan Fishing Trust, and the Azerbaijan Fishing Trust), on the south coast of the Caspian Sea, along the Persian territory on the Persian fisheries rented from the Persian Government, in the Azov-Black Sea region near the towns of Kerch, Achuyev and Temriuk (Azov-Black Sea Trust), in the White Sea-Murmansk region along the Murmansk waters, the White Sea

and the Arctic Ocean fishing banks (Northern State Fishing Trust), along the Obi River and the mouths of the Obi and Tazov (Obi-Tazov Trust), and in the Far-Eastern Region, where the State fishing industry was created only in 1923 along the lower reaches of the Amur River, the Gulf of Peter the Great, and the Kamchatka coast.

At the present time the total catch of the State fishing industry amounts to 14,500,000 poods according to data for the year 1923.

The Volga-Caspian State Fishing Trust is now, as it also was formerly, the most important with respect to the quantity of fish caught. The Volga-Caspian State Fishing Trust exploits the Volga River delta and the lower stretches of the Ural River. In the northern part of the Caspian Sea the trust engages in purchasing operations exclusively, buying the fishermen's catches.

Before the war the annual catch of fish in the region now exploited by this trust averaged 9,250,000 poods. The following quantities have been caught during the years succeeding the nationalization of the fisheries:

Year	Total Catch in Poods
1920	6,650,000
1921	9,300,000
1922	9,742,000
1923	11,187,000
1924	8,500,000

The last spring campaign was carried out under the following conditions: number of fisheries operated—81; capacity of establishments for cold salting of fish—5,707,000 poods, and for hot salting—1,523,000 poods (total—7,230,000 poods); steady clerks and workers—7,181, seasonal employees—about 30,000, and fishermen—12,000.

The trust had steam vessels operating in the number of 113, and in addition to this about 300 non-self-propelled boats took part in the work. The trust had the following auxiliary establishments: 69 cooperage shops, 4 machine shops, 3 landing places, and 2 net weaving factories.

With reference to the fishing problem in the Volga-Caspian region the following situation must be pointed out: about 60 per cent of all the fish obtained in the Astrakhan district are caught by individual fishermen. Their number there is around 100,000. During the period of the World and Civil Wars the fishing industry suffered to a large extent, so that the number of fishermen decreased to between 15,000 and 20,000. At the present time all possible steps are being taken to restore the fishing industry.

The South-Caspian Fisheries are located in waters rented from the Persian Government. After the war the partial exploitation of these fisheries was resumed in 1920. At the present time out of six districts only two are working as yet. Before the war the annual output of these six districts averaged from 10,000 to 12,000 poods of sturgeon

caviar and 700,000 poods of other fish products. The fish catch since 1921 has been as follows: 400,000 poods in 1921; 322,000 poods in 1922; and 364,000 poods in 1923. In the spring of 1924 a total of 4,000 poods of export caviar was prepared. The two districts under exploitation are run by 1,600 clerks and workers.

The Daghestan Fishing Trust first began to exploit the fisheries in the Daghestan region for the State in the spring of 1921, when 3,143 vats of fish with a total weight of 3,141,000 poods were procured. In 1922 there were 44 fisheries at work with 21,000 employees and a total output of 2,600,000 poods of fish. In 1923 the fisheries numbered 27, the workers 9,928, and the output 1,312,000 poods.

The Azerbaijan Fisheries operated independently and their activity has yielded between 200 and 300 vats of herring, a vat being equivalent to 750 poods of fish. Before the war the aggregate Daghestan and Azerbaijan regions yielded 6,700,000 poods of herring and up to 2,000,000 poods of other fish.

The large deficiency in the catch as compared with pre-war times is due to the disruption of the fisheries during the civil war and partly to unfavorable conditions of a meteorological character.

The Azov-Black Sea Fishing Trust exploits the Kerch, Achuyev and Temriuk regions. The annual output has been as follows: 75,000 poods in 1921; 266,000 poods in 1922; and 360,000 poods in 1923. The number of steady clerks and workers is 400, the seasonal employees 150, and the fishermen about 3,000. The auxiliary enterprises consist of one coeprage plant and one machine shop.

The Northern United Fishing Trust exploits the Murmansk waters, the White Sea and the Arctic Ocean coast line. At the present time two sharply differentiated forms of fishing industry exist in this region. In one type the catch is effected with steam vessels (trawlers), and the industry bears the character of a large capitalistic undertaking. In the other type the fishing is carried on by small-scale operators with small sailing or combined sail and motor boats. During 1924 there were 17 trawlers in operation with their base in Archangel and partly in Murmansk. The handling of the fish is done in 17 stations distributed along the Murmansk coast and in a storehouse in Archangel.

The annual catches since 1920 have been: 510,000 poods in 1920; 570,000 poods in 1921; 650,000 poods in 1922; and 665,000 poods in 1923. Trawler fishing usually starts in mid-April and continues to the middle of November.

In addition to the fisheries in the North there is also a marine hunting industry, which was conducted in four ships during 1924. The total catch of marine animals during the past year (1923-24) amounted to about 20,000 poods.

The Far-Eastern Region has three State Fishing organizations operating in it: The Far-Eastern

State Fisheries, The "Okaro" (Okhotsk-Kamchatka Joint-Stock Company), and The Far-Eastern Marine Products Company, which is a joint-stock company for the exploitation of the fishing and sea animal industries.

Before the war the whole Amur River region, the Gulf of Peter the Great, and the Okhotsk-Kamchatka district yielded about 9,000,000 poods yearly. At the present time the annual catch has risen to 11,500,000 poods. This increase is due to the intensified working of the Kamchatka fisheries, despite a fall of 50 per cent in the production of the Amur fisheries. The fishing industries are handling mainly salmon, sturgeon, etc.

During recent years the predominance of Japanese enterprises and capital has increased throughout the Far-Eastern industry. At the present time Russian production as well as the number of fisheries held by Russians constitutes only 15 per cent of the total. The State enterprises for catching and handling fish were formed only during the course of 1924 ("Okaro" and The Far-Eastern State Fisheries). As regards the Far-Eastern Marine Products Company, this began its work in 1923, when its catch amounted to 316,000 poods. During 1924 the activity of these organizations expanded considerably and the total output reached about 2,000,000 poods. Up to the present State capital has participated in the exploitation of the fisheries through participation in joint-stock companies together with private and cooperative capital.

The Obi-Tazov Trust exploits the lower reaches of the Obi River and the mouths of the Obi and Tazov Rivers. The objects of its operations are fish and furs. Before the war the yearly raw fish output of the region exploited by this trust averaged between 400,000 and 500,000 poods. Beginning with 1923 the work of the trust was centered on the district below Berezov, a procedure prompted by the fact that catches of a more valuable quality predominate there. The total catch was 416,000 poods in 1920; 252,000 poods in 1921; 389,000 poods in 1922; and 147,000 poods in 1923. The diminution of the catch occurred because of the decreased area.

The catch was distributed in the following manner with respect to variety: sturgeon—3 per cent; whitefish—70 to 75 per cent; bone fish—18 to 23 per cent; and fish products (fish-oil) up to 4 per cent.

There were 400 to 500 steady clerks and workers employed by this trust, 1,010 seasonal imported workers, and up to 1,500 workers of native Siberian tribes. The steam fleet consists of thirty units, and there are 50 long-boats and small non-self-propelled vessels.

Organized trade through a single trading apparatus (State Fishing Industries, later renamed State Fish Trading Company) began to be carried on only in January 1923. During 1923 and the first half of 1924 this organiza-

tion sold 11,500,000 poods of fish for a total sum of 32,000,000 gold rubles.

The prices for fish products have fluctuated widely depending upon grain prices and other market conditions, but at any rate, commencing with the middle of 1923, the trading apparatus of the State fishing industry has set the market price, steadily drawing it to the pre-war level. The initial period of State trading has made it possible to get acquainted with the requirements the demands of the regional consuming markets (selling periods, assortments). The overhead expenses of the selling organization for the last half year were brought down to 6¼ per cent of the receipts, and the balance sheet of the trading apparatus as such was closed with a large profit.

On October 1, 1924, the State Fish Trading Company was reorganized and changed into a syndicate. At the present time there are branch divisions of the Syndicate in almost all the important provincial and district cities. The trading organization consists of 22 branches and offices and 21 trading stations, and a basis in Tsaritsyn. The average monthly sales capacity of the State Fish Trading Syndicate is 1,000,000 poods.

Apart from its purely selling functions, the Syndicate supplies the trusts—on their request—with foodstuffs and materials required in the fishing industry. Thus in 1924 the Syndicate made purchases amounting to 3,400,000 gold rubles which are distributed as follows:

	Percentage of Total Purchases
Wooden articles.....	16.6
Dry-goods and clothing.....	11.5
Shoes and leather goods.....	5.0
Tackle.....	3.0
Provisions and groceries.....	32.0
Technical materials.....	1.0
Fuel.....	13.2
Salt.....	17.6
Total.....	99.9

The Net and Tackle Trust is designed to supply the fishing industry with the nets, twine for mending nets, various kinds of rope and cord, and also with the hooks used in the fishing industry. At the present time the annual output of nets and tackle is represented by the following figures:

Article	Total Weight in Poods
Hemp Yarn.....	170,000
Hemp Twine.....	5,640
Strong Hemp Twine for Dragnets.....	14,100
Flax Twine.....	8,200 (for making nets)
Rope and Cord, about.....	100,000
Hooks.....	11,600

The total value of the products turned out amounts to 5,000,000 gold rubles.

The aggregate capital invested in the fishing industry by the State is set at the sum of 40,000,000 gold rubles.

The Asbestos Industry of the Soviet Union

THE asbestos deposits in the Soviet Union have not been adequately studied. The most important of the known deposits are located in the Ural, in the Uryankhai region and in the Sayansk Mountains. Of these only the Ural deposits have been worked on a considerable scale.

The asbestos deposits in the Ural lie in a zone of serpentine strata, the workable accumulations of asbestos being connected with olivenite (slightly serpentine) strata, while amongst the typical serpentines no workable masses are encountered.

The layers of asbestos follow along thick vertical porphyry veins, being separated from these by serpentines from 10 to 30 sazhen thick. In a mineralogical respect the asbestos in these deposits is a chrysotile of the following composition: SiO₂—40.02 per cent, Al₂O₃—2.08 per cent, Fe₂O₃—1.97 per cent, MgO—40.34 per cent, H₂O—15.58 per cent.

The deposits of the Uryankhai region are situated 18 versts west of the point where the Alash River flows into the Kemchik, the left branch of the Yenisei River. Here the serpentine mineral strata, forming a string of hillocks, are traversed by a net of asbestos veins—chrysotile.

The Ilchirsk deposit in the Sayansk region in the southern part of Irkutsk Province, not far from Lake Ilchir, represents an isolated mountain, the southeastern portion of which consists of serpentine interspersed by an irregularly disposed mass of asbestos (chrysotile) veins.

The asbestos reserves in these latter deposits must be enormous, but they have been too insufficiently explored.

The deposits in the Kochkara River valley in the Semirechensk district also merit attention.

Before the war the Ural asbestos deposits were worked by individual private owners and by joint-stock companies. The following may be mentioned as among the most important: the firms of A. F. Poklevsky-Kozell's Successors, of Baron Girard-de-Soucanton, of P. O. Korev's Successors, and others.

The aggregate pre-war output of all the Ural asbestos enterprises was 946,937 poods of assorted asbestos in 1911 and 1,373,000 poods in 1913.

At the present time almost all the Ural asbestos enterprises, with the exception of the Alapayevsk region, which has been granted as a concession to the Allied American Company, are in control of the Uralasbest Trust, founded in the month of November 1921. This trust began to operate on a regular business footing in January, 1922.

The enterprises in the trust are: (1) the former Voznesensk and Korev mines, now called the "Ilyinsk" section, 30 versts from Bazhenovo Station, (2) the former Reftinsk mines, now the

"October" section, 35 versts from Bazhenovo Station, (3) the former Gryaznushka mine, now the "Labor Rest," (4) the former Mukhanovsk and Okunevsk mines, now the "Proletarian" section, 38 versts from Bazhenovo, (5) the former Ostaninsk region, now the "Spartak" mine, 10 versts from Rezh Station on the Ural Railroad, (6) the former Nevyansk region, now the "Krasnouralsk" mine, 14 versts from Anatolsk Station, (7) the "Komintern" Asbestos Board Factory, 5 versts from Bazhenovo Station and an asbestos products factory.

According to available data the total reserves of these deposits may be estimated as follows: actual (prospected)—25,000,000 poods of asbestos, probable—100,000,000 poods of asbestos, possible—300,000,000 poods of asbestos. The average asbestos content in the crude mined mass is about 1½ per cent. Accordingly, at the pre-war production of 1,373,000 poods, or 1,500,000 poods in round figures, the actual and probable reserves would suffice for 80 years.

Before the war the Bazhenovsk region yielded 95 per cent of Russia's entire asbestos output.

The mining is carried on by surface operations. The quarries run down to a depth of 15 sazhen. The rock from the mine is first sorted by hand and as a result of this sorting "ore" with an average asbestos content of 20 per cent is obtained. Then it goes to concentrating plants (sorters), where five standard grades of assorted asbestos are turned out.

Part of the assorted asbestos of the first grades goes to the asbestos products factory for the manufacture of textile articles, while part of grades IV and IV-A go into the production of asbestos board. "Asbestite" is made out of the material rejected in the process of assorting.

The manufacture of asbestos board and textile products is of secondary importance for the enterprises. The principal product is raw commercial asbestos.

The establishments of the Uralasbest Trust get their power at the present time from two steam turbines of 600 and 160 kilowatt capacity, but even now this power does not suffice, and there is no reserve. The Krasnouralsk mine has an independent station of 100 kilowatt capacity.

The mines are equipped with electric hoists and pumps, but to an inadequate extent. At the mines there are about 40 versts of narrow-gauge railroad with 1,500 mine cars and 7 locomotives.

Although the present equipment of the mines has been repaired, supplementary expenditures to complete the equipment of the mines are necessary for further development of the work and the attainment of the pre-war output.

In spite of the extensive repairs required by the equipment on hand, the uncertainty of sales during the initial period, the complete absence of

State financing, and other adverse circumstances, the Uralasbest Trust, since starting its productive activity in 1921, has succeeded in expanding its output considerably: thus, 201,564 poods of assorted asbestos were turned out in the fiscal year 1921-22; almost 300,000 poods in 1922-23, and for the first six months of 1923-24 the output included 206,290 poods of assorted asbestos, 87,565 poods of asbestite, and 1,065 poods of asbestos articles. The quantity of unproductive ore removed amounted to 5,587 cubic sazhen. For the entire fiscal year 1923-24 it was proposed to produce 500,000 poods of assorted asbestos, which would constitute about 35 per cent of the pre-war output of the region.

The average number of workers in the enterprises of the Uralasbest Trust has been around 2,400 during the recent period.

The productivity per worker throughout the enterprise is about 50 per cent of former standards, if the excavation work is taken into account. The fuel expenditure per unit of production exceeds the pre-war figure by 12 per cent.

The cost of producing the ore during the first half of the fiscal year 1923-24 was 3 gold rubles 18 kopecks per pood, the cost of sorting—1 gold ruble 65 kopecks, so that the full cost of one pood of assorted asbestos (as an average for all grades) came to 4 gold rubles 83 kopecks.

The pre-war cost of production was: ore—79.5 kopecks, sorting—92.5 kopecks; and the total—1 gold ruble 72 kopecks per pood of assorted asbestos.

To reduce production costs it would be necessary to increase the output of the enterprises at least up to 600,000 poods of assorted asbestos yearly, and also to centralize and mechanize the work.

Russian asbestos is sold mainly abroad. During the course of the fiscal year 1922-23 there were exported 213,349 poods of graded asbestos valued at £85,317, while sales on the domestic market included 92,670 poods of asbestos and 101,296 poods of "asbestite" with a total value of about 915,000 gold rubles.

During the first two quarters of the fiscal year 1923-24 the exports of asbestos totaled 165,127 poods worth £71,645, while 11,184 poods of asbestos, 80,300 poods of "asbestite" and 8,224 poods of asbestos board, with an aggregate value of 365,433 gold rubles, were sold on the domestic market.

The principal places consuming Russian asbestos within the country are Leningrad, Kharkov, Kiev, and Rostov-on-the-Don.

At the present time the exports go chiefly to Berlin, Vienna, and Turin.

The reconquest of the markets lost during the war is proceeding successfully, and there is a large demand for Russian asbestos, especially for the lower grades, so that it is possible to count firmly upon the sale of any quantity of asbestos that the Soviet Union could throw upon the market.

Graphite Deposits in U. S. S. R.

THERE are about one hundred known graphite deposits within the limits of the Soviet Union. The reserves of the few Siberian beds that have been more or less surveyed are estimated to aggregate millions of tons. During more than a century Siberian graphite has been widely known for its high quality. Despite the remoteness of the principal Siberian deposits in the Kureisk mine at Turukhansk (Northwestern Siberia) from central European Russia, their situation in the earth's crust is so favorable for extraction, and transportation by water route is so convenient that the cost of producing this Soviet graphite is comparatively low, and, at any rate, much lower than that of foreign graphite.

In 1922 the Council of Labor and Defense decided to send a special expedition to the Turukhansk region to carry out a thorough investigation of the Kureisk graphite beds, determine the available reserves, and, above all, ascertain the chemical composition of the graphite mineral in the various strata of the deposits. This expedition, which was originally organized by the former Central Bureau of Industrial Surveys, was kept in the field during 1923 by the Geological Committee, while in 1924 the Institute for Applied Mineralogy, the Technico-Scientific Section of the Supreme Economic Council, and the Geological Committee collaborated in maintaining the expedition with the financial support of the Electro-Engineering Trust.

The Kureisk graphite beds are situated on the Kureika River, a right-hand tributary of the river Yenissei, into which it flows about 1,610 versts (1,000 miles) below Krasnoyarsk. The graphite mine is about 93.5 versts (60 miles) from the junction of the Kureika with the Yenissei. During the high-water season extending from June 20 to July 15 the Kureika is navigable for even the largest river vessels. During the remainder of the navigation period lasting until September 20, shipments are made on flat-bottomed scows with a capacity of 10 to 15 tons. The distance from the mine to the river port is about 2½ versts. The graphite is transported to the river by wagon. The mine is located just beneath the Arctic Circle, but the climate is not so severe as in Alaska, for instance, owing to the fact that the Kureika Valley is shielded by mountains on all sides.

The Kureisk graphite deposit is in the form of a gradually sloping layer with a thickness of 15 meters and lies entirely uncovered along the river for a distance of 500 meters. Owing to the thickness of the bed and its gradual slope, the conditions for its exploitation are highly advantageous and the cost of production is very small.

The expedition investigated the deposit by drilling nine test bores along the river bank to a

depth of 200 meters. The survey indicates that the actual reserve of graphite in the Kureisk deposit amounts to 2,500,000 tons. Taking into consideration the fact that the world's entire production and consumption of graphite averages 100,000 tons per annum, the immense magnitude of the Soviet Union's graphite resources becomes evident. It is possible that the total reserves of graphite in the Turukhansk region may run into billions of tons.

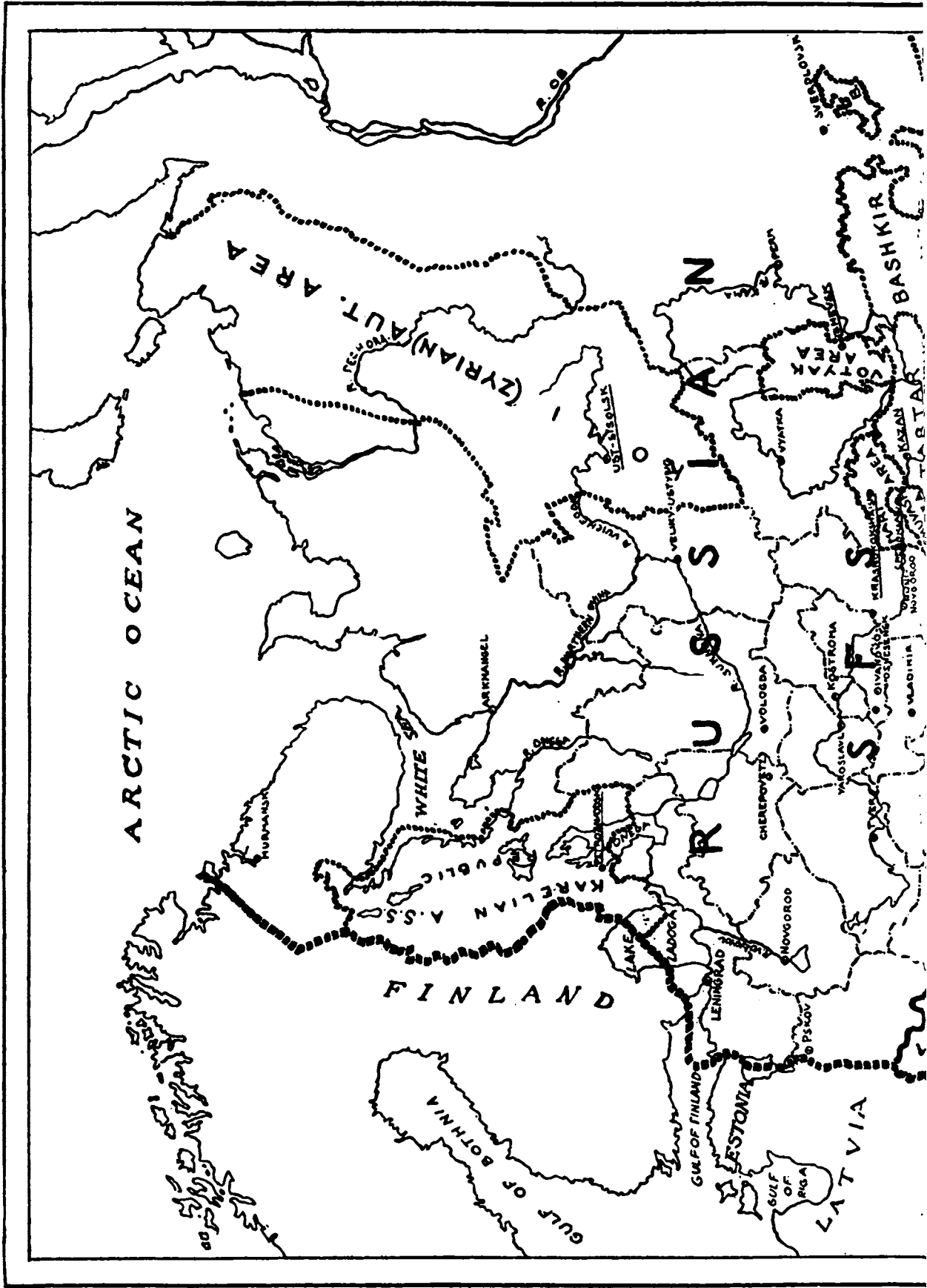
The samples secured through the test borings made by the expedition were studied in the Moscow laboratories during 1923-24. A careful analysis of over 200 samples showed that the ash content of the graphite mineral varied from 2 to 15 per cent depending upon the stratum from which it originated. In this connection it must be remembered that in its natural condition the graphite of other producing countries has an average ash content of from 40 to 60 per cent, which must be reduced through a process of concentration. Only rare varieties of Ceylon graphite can compare with Turukhansk graphite with respect to carbon content.

The tests of Kureisk graphite for uses in the electro-technical industry yielded highly favorable results. The articles manufactured from this graphite turned out to be of good quality. In 1924, apart from its prospecting activities, the investigating expedition carried out an exploitation test of the deposits and delivered a shipment of graphite to the Kudinovskiy plant a month before the date stipulated in the contract with the latter. The tests made at the Kudinovskiy works showed the product to be of a quality superior to that specified by the technical requirements in the contract.

According to data furnished by "Arcos" (a London corporation engaged in British-Soviet trade), foreign graphite containing 88 to 90 per cent of carbon costs in London £41 per ton, f. o. b. vessel, without allowance for tare. Including freight and other expenses, such graphite costs 10 gold rubles a pood in Moscow. Even at the very beginning under exploitation on a limited scale, Kureisk graphite of equal quality will cost only 2½ gold rubles per pood, f. o. b. Moscow or Leningrad. In the future, with the expansion of the business and the accompanying application of machine methods to mining operations, the cost of the graphite will be gradually reduced to 1½ gold rubles per pood.

The output of Soviet graphite will undoubtedly increase in 1926, its size depending upon whether the Soviet Union will be able to establish the manufacture of graphite electrodes for its own requirements. About a thousand tons of such electrodes will be needed for electric smelting, and in case the production of aluminum is organized there will be a demand for 11,000 additional tons of graphite electrodes. In any event, the production of graphite in the Soviet Union is doubtless assured of a great future.

European Territory of the Soviet Union



Soviet Finances

IN a review of the first year under the new monetary policy published in the "Financial Gazette" (Moscow) Mr. Briukhanov, Acting People's Commissar for Finances of the Soviet Union pointed out that the achievement of a new currency at gold parity had been an essential factor in the revival of trade. The following is a short extract of the article:

At present even those who were most skeptical raise their voices in praise of the monetary reform.

The defenders of the old Soviet monetary system did not take into consideration the enormous significance of the economic progress achieved during the first years following the transition to the new economic policy. The expansion of the country's industrial output in connection with its operation upon a business basis, the increase of the trade turnover, the restoration of economic ties between the Soviet Union and the outside world, the consolidation of the State budget with the energetic elimination of the deficit, and a number of other factors attesting the recuperation and strengthening of the nation's economic life urgently demanded the introduction of order into the monetary system.

The advocates of the Soviet paper money did not realize that this medium had exhausted its usefulness as soon as the inauguration and consolidation of the new gold-supported chervonetz notes became feasible. The stability and circulating strength of the latter left no serious obstacles in the way of the abolition of the parallel paper currency system, which was inflicting no small harm upon the trade turnover.

The most important problem of the monetary reform resolved itself into one of maintaining the purchasing power of the Soviet Union's currency at a fixed level. For the attainment of this object it was necessary to bring influence to bear upon commodity prices.

After a year of currency reform it must be said that not everything that called for a solution was accomplished. In large measure the regulation of retail prices has remained beyond our economic reach. Only during the final months of the elapsed fiscal year, with the influx of increased industrial production upon the market and the consequent relaxation of the merchandise scarcity, did retail prices yield to regulatory influences and begin to decline. These phenomena create the confidence that during the course of the current year we shall definitely master the problems which confronted us a year ago.

The struggle for currency stability was not limited, however, to the achievement of the policy of commodity price control. The Soviet Union's growing economic relations with countries trading

with her made it imperative to look carefully after the stability of Soviet currency as compared with foreign currencies. In this regard a successful solution of the problems facing us was also accomplished: the chervonets remains at its gold parity, so that the Soviet Union has at its disposal a firm currency standard not only for its domestic trade, but also for its foreign commerce.

Economic Situation in the U. S. S. R.

Referring to the reports made at the recent sessions of the Central Executive Committee of the Soviet Union, Mr. Briukhanov, Acting Commissar for Finances summed up as follows the present economic situation of the country:

It is clear from these reports that the nation's economic life has been consolidated. The apparatus of financial administration has been created. A system of taxation has been devised which assures the federal treasury of steady revenues and makes it possible to take advantage of the expansion in the country's economic life for the larger fulfillment of federal needs. At the same time the foundations of government credit operations have been laid.

We have learned to limit government expenditures in accordance with available income, and, while satisfying the basic requirements of State economic activities, administration and defense, we have attained a deficitless budget, thereby establishing a firm foundation for our monetary reform and a stable Soviet Currency.

On the sound basis of a stable currency great progress has been made in establishing effective local budgets. Local budget administration is improving and, comparatively, is forging ahead faster than the State budget system.

Agriculture is advancing. The sown area is increasing. The peasants are rapidly turning to production for the market with a view to the greatest possible money income. The livestock herds are approaching the pre-war status.

Having been reduced to one-fifth of the pre-war strength and brought to the verge of absolute ruin by the imperialist and civil wars, our large factory and mill industries are recovering and already reach two-thirds of the pre-war volume. During the past fiscal year (1923-24) industrial production has increased one and a half times as compared with the previous year. Light industry has almost attained its pre-war dimensions.

The extreme scarcity of manufactured goods is steadily passing away. At the same time the peasantry's demand for goods is growing. and a salutary interchange of commodities between the country and the cities is being re-established. As a result of this, aided by the existence of a stable currency, the disproportion between the prices of agricultural products and manufactured goods has been almost wiped out.

Foreign Relations of the U. S. S. R.

Note to Poland on Murder of Exchange Prisoners

THE followig is the complete text of the note of protest addressed to the Polish Envoy at Moscow by Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, on April 2, 1925 with regard to the murder of two communist prisoners by a Polish police sergeant while they were being taken to the border to be exchanged for two Polish prisoners held by the Soviet Government:

At the instruction of the Soviet Government I have the honor to bring the following to your knowledge:

On March 26 of the current year the Polish Government gave its assent to the exchange of Messrs. Wieczorkiewicz and Baginski, convicted in November 1923 during the trial of a political organization, for Mr. Usas, an expert attached to the Polish Delegation on the mixed Russo-Polish Re-evacuation Commission, charged with crimes provided against in Articles 10, 157, part 2, 168 and 169a of the Criminal Code of the R. S. F. S. R. covering acts of sexual perversion and cruelty committed upon subordinates, and Mr. Laszkiewicz, sometime Secretary of the former Polish Consulate General at Tiflis, indicted under Article 66 of the Criminal Code.

As was decided by both parties, the actual exchange was to take place on the 29th of March at the border station of Kolosovo, whither Messrs. Usas and Laszkiewicz, the individuals subject to exchange, were transferred in the custody of a representative of the People's Commissariat for Foreign Affairs.

At 4 o'clock on March 29 Mr. Kulikowski, the head of the Polish Repatriation Delegation, having up to that moment delayed carrying out the exchange for reasons not understood, announced to Mr. Plich, the agent of the People's Commissariat for Foreign Affairs of the Union of S. S. R., that the exchange could not be effected due to causes beyond his control.

According to advices subsequently received from eye-witnesses, the details of which were confirmed by the Polish press, and likewise according to the oral report of Mr. Zelezinski, Counselor on the Polish Mission, Messrs. Baginski and Wieczorkiewicz were, in a situation precluding the possibility of supposing it a case of chance concurrence of circumstances or of individual criminal impulses, brutally murdered in the presence of representatives of the local and central Polish authorities and while in the custody of their convoy on the journey from Stolbtzy Station to the place appointed for the exchange—Kolosovo Station.

In the name of the Soviet Government I lodge the most vigorous protest against this crime committed by Polish authorities, a crime unheard of

among civilized countries—the murder of Baginski and Wieczorkiewicz by an individual employed in the Government's service almost at the moment of their exchange and under the eyes of Polish officials specially assigned in connection with this exchange.

The indignation aroused among the broad masses of the Soviet Union's population by the above-mentioned crime, is further intensified by the fact that an analogous murder occurred in Poland on January 2, 1919, when a Russian Red Cross delegation, headed by Mr. Veselovsky and including M. Altman, Aivazova and the physician, Dr. Klotzman, was massacred while being deported across the frontier of Poland by the Polish authorities.

The Soviet Government therefore had grounds to expect that on this occasion the Polish Government would adopt all the necessary measures to prevent the repetition of a similar occurrence and to deliver the persons to be exchanged, Messrs. Baginski and Wieczorkiewicz, to the exchange point unharmed.

In conclusion, expressing the confidence that the Polish Government will arrange for a strict and thorough investigation of the murder of the exchange prisoners, Messrs. Baginski and Wieczorkiewicz, and that the guilty will suffer penalties in proportion to the gravity of the crime committed by them, I have the honor to notify you, Mr. Envoy, that the non-fulfilment of the conditions accepted by the Polish Government for the personal exchange gives the Soviet Government, with respect to the individuals at present designated for extradition to Poland under an exchange arrangement, complete freedom of action within the bounds of the laws in force in the Union of S. S. R.

Note to Poland Regarding Abuse of Immunity by Polish Consul at Minsk

On April 1, 1925, the People's Commissariat for Foreign Affairs of the Soviet Union addressed a note to Poland concerning the unjustifiable action of the Polish Consul at Minsk, who from March 30 to April 1 took the liberty of sheltering in the consular premises and refused to surrender an individual summoned to appear as a defendant before a criminal court.

The note points out that it is contrary to international law for the consul or diplomatic representatives of any nation to engage in active opposition to the legal measures of organs functioning in the country which has received them. "Such a situation," it goes on to state, "would threaten the entire institution of diplomatic and consular representation." Far from giving him the right to conceal a refugee in his official premises, the privileges of diplomatic immunity accorded to Mr. Karczewski, the Polish Consul at Minsk, required him to refuse such shelter.

Stress is laid upon the fact that the passport of Mr. Ussas, the refugee in question, did not exempt him from prosecution under the Union's criminal code for his offense and, furthermore, that the accused had previously offered himself up voluntarily for trial by the courts of the Russian Socialist Federated Soviet Republic. Under the circumstances Mr. Karczewski's refusal to surrender Mr. Ussas upon his taking refuge in the consulate constituted "an abuse of his official privileges which renders his further presence in the post of consul or in any other capacity in the Soviet Union impossible."

The note concludes with a notice that Mr. Karczewski's exequatur is considered to have lapsed and requests the Polish Diplomatic Mission to instruct him to quit the territory of the Soviet Union without delay.

Soviet-Chinese Relations

On March 6, Mr. Karakhan, Soviet Ambassador to Peking, delivered the following note to the Chinese Minister for Foreign Affairs for transmission to his Government:

In the beginning of the year 1921 part of the White-Guard armies routed by the Red Army, retreated to Mongolian territory, where, having united with elements hostile to the Soviet Government, they created a base for new attacks upon the territory of the Soviet Republics with the aim of overthrowing the authority of the workers and peasants. Repeated requests addressed to the Chinese Government for the liquidation of the White-Guard bands of Semionov, Ungern and others freely operating and organizing on the territory of Mongolia, led to no positive results, as the Chinese Government was indifferent to these urgent appeals by the Soviet Government. In view of this in the interests of the safety of its frontiers the Soviet Government was constrained to conduct part of the Red Army into Mongolian territory and liquidate all the White-Guard bands and organizations which, organized and supported by foreign imperialism, were preparing to invade the Soviet Republics once more from Mongolia.

After the liquidation of the White-Guard armies part of the Red Army remained in Mongolia in the interest of the preservation of order and for the purpose of preventing the organization of White bands as a new menace to the safety of U. S. S. R.

With the establishment of order and the organization of proper authority the Soviet Government gradually decreased the Red Army forces in Mongolia. However, the absence of relations between the Soviet Government and China and the latter's participation in a coalition hostile to the Union of S. S. R. blocked the settlement of the question of the Red Army's presence on Mongolian territory, and only the agreement signed between the Union of S. S. R. and China on May 31, 1924, paved the way for the settlement of this question. According to the treaty signed on May

31, 1924, it was stipulated that after the question of the withdrawal of the forces from Outer Mongolia, namely, the question of the term of the withdrawal of these forces and the measures to be taken in the interest of the safety of the frontiers, had been decided at a conference, the Soviet Government would remove its forces from Outer Mongolia.

However, despite the fact that the conference was to be opened within a month from the signing of the treaty, internal circumstances prevented the Chinese Government from doing so in due time. Meanwhile the Soviet Government, although in virtue of the agreement with China it might not have removed its forces until the period of their evacuation had been fixed at the conference and the requisite guarantees for the safety of the frontiers had been given by the Chinese Government, decided, nevertheless, to withdraw its forces immediately without awaiting the conference.

I herewith have the honor to inform the Chinese Government that the Soviet Government has proceeded with the withdrawal of its forces from Outer Mongolia with the assent of the Mongolian Government, and that at the present time the evacuation of the Red Army detachments from the territory of Mongolia is finished.

In bringing this to the Government's knowledge I hope that the Chinese Government will suitably appreciate this friendly step by the Government of the Union of S. S. R. The Government of the Union of S.S.R. also trusts that the circumstances which formerly constrained it to send the Red Army to Mongolian territory will not, in conjunction with altered conditions, recur in the future.

At the same time I earnestly express the confidence that the Chinese Government will not neglect the happy occasion for settling the problem of the interrelations between two brother peoples by a peace-promoting arrangement with the Mongolian people.

The Government of the Union of S. S. R., while regarding the interrelations in question as the exclusive affair of the Chinese and Mongolian peoples, will, nevertheless, be happy to witness the restoration of brotherly association between the Chinese and Mongolian peoples according to principles of justice and on the basis of their national aspirations, which will assure the further economic progress both of Outer Mongolia and of the northwestern region, and will likewise promote the development of economic and other relations with the Union of S. S. R.

Northern Sakhalin Surrendered to Soviet Authorities

On April 4, Northern Sakhalin has been surrendered to representatives of the U. S. S. R. An announcement to this effect was signed by the commander of the Japanese detachments and the representative of the U. S. S. R. in Aleksandrovsk, Sakhalin.

Cultural Life in the Soviet Union

The Hermitage Art Gallery During the Revolution

THE November Revolution found the Petrograd Museums and the palaces outside the city in a very sad state, as a considerable portion of their collections had not long before been evacuated to Moscow. The Hermitage was in a particularly bad plight, for all the best things had been taken away, so that one might practically say that nothing but the walls and the museum guards remained; the contents were absent. But this condition also had some advantages. In the first place, the interruption of the traditional work permitted of an easier and more objective solution of a number of important questions connected with methods of organization, and in the second place, permitted more time and energy to be given to the work of collecting expert talent and making an inventory of the artistic and historic possessions which remained unguarded, and also to give much aid in this connection to the Commission for the Preservation of Monuments of Art and Antiquities.

For satisfying even in a modest degree the demands of the population to have access to the material of the Museum, exhibitions were held; an exhibition of the funeral cults of ancient Egypt, organized under the auspices of the Section for Museums; an exhibition of artistic products of painting, sculpture and applied arts of the Sixteenth to Nineteenth Centuries, consisting chiefly of new acquisitions; the Scythian exhibition and a number of exhibitions of engravings; illustrated publications were issued on occasion of the first two of these exhibitions.

At the same time the Hermitage was engaged in preparing to make museums of the private mansions of Stroganov and Yussupov, and in completing the recording of their contents, in which connection guide books were also prepared and published at the expense of the Museum Fund.

In addition, the three years during which the Hermitage was empty afforded a possibility to complete the plan of work for the immediate future, the result of which has been a truly marvellous and swift reinstatement of the collections of the Hermitage, which has been the wonder of all workers in foreign museums.

The return of the Petrograd art collections took place in November, 1920, and, in spite of the difficulties of transportation, the task was accomplished without the slightest risk to the priceless art works, a condition which it had not been possible to realize in France on the occasion of the evacuation of the contents of the Louvre, which were taken to Toulouse and Bordeaux during the war.

On November 19th, more than one thousand cases arrived at the Hermitage, with the treasures

they contained, and on the eighth day following, the Rembrandt Room was opened to visitors; this is probably the most famous room in any museum in the world. Within six weeks after the return, in other words, by January 1, 1921, all the twenty rooms of the picture galleries had been restored, the former arrangement of the pictures being temporarily retained.

The reason for this was the desire to make the collection accessible to view at the earliest possible moment, and to ascertain whether the pictures were still in good condition, after having lain in boxes for three years, while on the other hand, a new arrangement, which would have required extensive preparation, would have caused the paintings to lie stored or heaped in the rooms for a more or less protracted period, which always involves a certain risk for their safety.

In the Autumn of 1921, on the anniversary of the return of the Museum collections, which the Hermitage Council had resolved to celebrate each year by inaugurating some exhibition or issuing some publication or other, the so-called reserve wing (one-half) of the Winter Palace, which was transferred to the control of the Hermitage in 1918, was opened, presenting fifteen rooms of the applied arts of the Middle Ages and the Renaissance, and collections of porcelain of such completeness in some fields, as for instance in majolica, enamels, and porcelains, that might arouse the envy of any European museum. In honor of this day, two illustrated guide books were published. In May, 1922, an exhibition of early Italian Renaissance art was opened, consisting of a number of first-class productions, some of them recently acquired, others having been preserved in the vaults. An illustrated catalogue was printed for this occasion.

In June 1922, the Section of Antiquities was opened in the lower halls, the objects having been entirely re-arranged, for which purpose much time and energy had been expended, and also much labor in moving the exceedingly heavy marble statues and marble sarcophagi; this as well as the selection of a favorable illumination for the sculptures, retaining a systematic principle in the placing of the figures, was not an easy matter. An illustrated guide book was printed for this occasion.

Beginning with March, 1923, ecclesiastical treasures whose artistic value made them eligible for museum collections, began to arrive in the Hermitage; these had been taken from the churches. The selection made for this purpose by the Hermitage, into the plan of whose collections this material did not always fit, depended to a great extent upon the space available for the concentration and exhibition of all this interesting collection of materials.

On the third anniversary of the return of the art collections there was opened an exhibit of laces of the Seventeenth and Eighteenth Centuries in the Pavilion room of the Little Hermitage, and also exhibits of watches, rings, snuff boxes, and mirrors, of the same period; an illustrated guide to these collections was issued at the same time.

In the Summer of 1923, by agreement with the Academy of Fine Arts, the former Stieglitz Museum, which had been transferred to the supervision of the Hermitage as a subdivision, became part of the Section for Museums. This Museum, which had been closed, and its contents packed away in boxes at the beginning of the Revolution, was very quickly restored to life, partly in the old form, partly on a new basis, and in the beginning of December all the halls of the upper story were opened, containing rich collections of ceramics and the Section for Mussulman and Chinese arts, while in the great hall of the lower floor a great exhibition of Mussulman tiles was inaugurated. In spite of the absence of any appropriations whatsoever, it was possible to repaint and to some extent to restore out of the Museum's own funds a number of rooms, which had suffered during the years when the Museum had not been supplied with heat. In honor of this opening, a guide book to the majolicas and the fayences was issued, as well as an historical sketch of the production of Mussulman tiles.

In May, 1924, the former hall of St. George (throne-room) in the Winter Palace was opened as a hall of armory of the Fourteenth to Seventeenth Centuries, in connection with which event an illustrated catalogue was issued.

In November of the same year an exhibition of applied art of the Far Eastern and Mussulman worlds was opened in the halls of the former Stieglitz Museum, and on the fourth anniversary of the return of the Hermitage collections, the carved ivory room was opened to the public. Guide books were printed in honor of the openings of these collections.

As a result of the work of the last few years, the State Hermitage has now opened to the public 153 of its rooms, some of which have been reconstructed, while others have been added.

Russian Peasant Paintings

BEFORE the Revolution but scant attention was paid to Russian peasant work in painting. But the interest in the graphic and plastic arts of the peasant is now increasing and their peculiarities are becoming better known. In his book "Russian Peasant Painting," N. Shchekotov points out one of these peculiarities, namely the marked applied art character which is invariable in this peasant art, which finds its expressions in household utensils, in garments, and in architecture. As these products are subject to daily use, the artist aims to make them as durable as

possible. The external appearance of these objects is the result of a combination of utility, durability, and beauty, all of which have their influence on the impression produced by the whole. The colors are striking and permanent; the objects are decorated all over, as their use may present a number of different surfaces to the beholder, as is the case for instance with distaffs and spindles.

The view formerly held was to the effect that painting in ancient Russia concerned itself exclusively with religious subjects, but the latest investigations in the field refute this notion. Painting has concerned itself also, from the very beginning, with worldly and utilitarian purposes, and much imagination has been displayed by the painters. Fabulous beasts after the pagan model have always been great favorites, such as, the lion with the tail terminating in a trefoil; the griffin (having the body of a lion and the head of an eagle); creatures that are both man and beast; the "Bereginya" (a nymphlike creature); the "Strelets" (the archer, half man, half charger); the "Sirin" (a bird with a woman's head); etc.

Besides such figures, the peasant art also displays the tendency to depict scenes from the daily lives of the peasant; these are above all characterized by the absence of any didactic element. Most of the pictures are merry; they do not aim to teach a lesson, but to please the eye with their animation and their varied colors. In this respect, the peasant art has escaped, to the present day, the influence of the city, and has remained faithful to its fundamental principle, that of decoration. The artist never paints a scene showing the performance of hard labor; only the more esthetic and easy tasks are depicted; therefore hardly ever scenes of work in the fields are to be found. But "The Shepherd Playing a Pipe" and "The Girl at the Distaff" are great favorites. Most often the hours of leisure are treated, showing the peasant drinking tea or wine.

In spite of the limited range of subjects, a certain regularity of method may be observed. Individual subjects are hardly ever treated alone, but are always interwoven with fabulous monsters and adorned with decorations consisting of conventionalized plants.

The method of painting is the same both in the imaginative subjects as well as in the scenes from daily life. Each object produces an impression similar to that of a colored rug, in which the presentation of a scenic subject is not felt to be of greater importance than a plant-like scroll.

A certain regularity may also be observed in the distribution of various scenes to adorn certain objects; for instance, the painting on a distaff is always divided into three distinct sections. In the centre, there is always the *genre* scene, below which are the human figures, and above which are the fantastic birds.

The basic color is "Leukas" (a sort of paste consisting of chalk and size which is used for laying the first coat), over which the outlines are traced in black, sometimes with large and heavy strokes, after which they are filled with colors. The colors are limited in number, being chiefly: cinnabar-red (vermilion), olive-green, yellow ochre, white, and black. For this reason these objects always present such an animated appearance to the eyes of the city man.

A comparison of the earlier works of peasant art with those of later date presents evidences of unmistakable progress in the technique of the painter's art; the most recent works show that the color masses are not put on after the outlines, but originate simultaneously with them. This method concentrates the artist's attention on color composition, and enables him to make the most complicated and variegated combinations.

The absence of special museums for peasant art makes it impossible to form an adequate conception of the subject. The question of the advisability of founding such museums is only now beginning to receive attention, and some museums are already beginning to gather and classify the materials for their collections.

"Color Art"

A new tendency in painting, termed "Suprematism" in Russia, whose aim was to achieve "complete freedom from the subject" has had the advantage of directing the efforts of artists to the making of experiments, as well as of encouraging a study of the fundamental principles of painting as such.

'Color Art' is the name given to a form of painting in which all depiction of objects is rejected, nothing remaining but colors and their mutual contrasts. Form achieves a peculiar significance in 'Color Art.' The color masses are no longer surface areas separated from the remainder of the picture by straight or curved lines (as was the case in Suprematism). On the other hand, the color masses in this new theory of art are rather produced by the mutual relations, the coordination and rhythm of various color tints. Vladimir Borissov, a pupil of Repin, and a graduate of the Petrograd Academy, whose paintings of northern scenes were exhibited in the United States a dozen years ago, is a leader in this school. He renounces all attempts to depict subjects in painting, and builds his 'Color Art' exclusively on the rhythm of tonal groups, on musical laws, as it were. This procedure enable him to *record* his works *in notes*, and thus establish a system of color nuances. This outline affords the possibility of creating an unlimited quantity of color variations, the beauty of which may be determined in advance.

These experiments of Borissov also have a theoretical value, in that they enable artists to adopt

a more conscious and scientific attitude toward the problems of color, thereby enriching their palettes. But these experiments are particularly important in applied art, particularly in the arts of decoration. They may also confer great benefits on the textile industry, the carpet industry, and the wall-paper industry.

The Central Russian Book Chamber

A RESOLUTION adopted on August 3, 1920, by the People's Commissariat for Education of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) made the Central Russian Book Chamber the bibliographic focus of this part of the Soviet Union. Its chief object is the registration of all printed matter published in the Republic and its distribution to the larger libraries throughout the Soviet Union.

Owing to the obstacles presented by the continuous military struggles and by the difficult conditions of life in general throughout the Republic during the 1920-1921, it was at first impossible to organize the work in a satisfactory manner. During the first half of 1922, however, the Book Chamber developed the organizational apparatus requisite for successful activity and its operations thenceforth advanced on the right road. This is clearly illustrated by the following statistics of the various categories of publications received from 1921 to 1924:

Years	Books	Magazines	Newspapers	Leaflets	Music	Total
1921.....	4,529	2,167	4,040	2,128	—	12,864
1922.....	10,301	5,275	24,057	18,170	404	58,205
1923.....	19,608	13,326	80,553	56,569	1,533	170,589
			Posters	1,495		
1924....	29,131	14,778	93,016	106,745	2,258	245,928
			Posters	3,113		

In the beginning 25 copies were required of each piece of printed matter registered with the Book Chamber. In 1923 this number was reduced to 9 for newspapers, leaflets, and music; and after certain changes during 1924 the following requirements were established for the year 1925: books and magazines—31 copies, newspapers—11, leaflets—3, and music—11.

The first of the copies received remains in the Book Chamber, going to the Control Department for registration, to the Editorial Department for description in the "Book Annals" magazine, and finally to the Book Chamber's archives for preservation. Not all the printed matter that reaches the Book Chamber is entered into the "Book Annals." Posters, announcements, local administration orders and other material not of general interest pass directly into the archives without description, but the items are classified and kept in definite order, so that interested persons may use them for reference.

The remaining copies of each publication are distributed among the principal libraries of the

Soviet Union. During 1924 the following libraries received literature from the Central Russian Book Chamber: in Moscow—The All-Russian Public Library, dedicated to Lenin, The Communist Academy, The State Archives, The First Moscow State University, The Institute of Red Professors, The Chief Department for the Political Education; in Leningrad—The Public Library, The Academy of Sciences, and the Book Registration Institute. The libraries in the following cities have also utilized the services of the Central Russian Book Chamber: Baku, Vyatka, Irkutsk, Kiev, Minsk, Rostov, Tashkent, Kharkov, and others.

The importance of the acquisitions made by libraries through the Book Chamber is demonstrated by the fact that during the year 1924 the Lenin Library (The All-Russian Public Library of Moscow) received 79,435 volumes in books and magazines alone, The Public Library of Leningrad received 30,339, and the Communist Academy 34,399 volumes, while other libraries also obtained considerable quantities. Altogether in 1924 the Book Chamber distributed among libraries of the Union of S. S. R. 874,189 volumes in books, magazines and music, and 1,622 bales of newspapers and leaflets.

The descriptions contained in the "Book Annals" covering new publications received by the Chamber are highly important to the scientific and cultural life of the Soviet Union. The "Book Annals" are indispensable to scientists, writers, and librarians, as they are thus enabled to follow closely all the literature printed within the limits of the Soviet Union. Libraries employ the "Book Annals" for the preparation of catalog cards with an index already arranged and printed in the magazine. This descriptive organ is also an invaluable medium for acquainting foreign readers and institutions with publications issued in the Soviet Union. Finally, without it the compilation of book statistics would be practically impossible.

The archives of the Central Russian Book Chamber constitute a most complete depository of modern Russian literature beginning with the latter part of 1920.

The activities of the Book Chamber have extended far beyond the functions outlined above. By the close of 1922 the registration of new publications issued in the Russian Socialist Federated Soviet Republic and the distribution of copies among the leading libraries of the Soviet Union had been sufficiently well organized, so that in 1923 the Book Chamber was able to begin the extension of its service in directions demanded by its position as the bibliographic center of the Republic.

Due to the extreme need of foreign literature in the Soviet Union's libraries, the question of international book exchanges was among the first to require consideration. The Central Russian Book Chamber has already entered into agreements for

exchanging literature with Austria, Germany, and Japan. At present informal exchanges are taking place with the United States, Italy, and Turkey, with all of whom negotiations for definite agreements are approaching completion. The Chamber received over 4,000 American and several thousand Italian publications during December. In its turn the Book Chamber has sent parcels of books to Japan, Austria, and Germany, and also contemplates making shipments to Turkey and America.

Prompted by the desirability of acquainting the country's working population with books, the Chamber organized exhibitions covering general publishing activities in 1922 and 1923, and it also arranged exhibits on special subjects, such as "Lenin's Pictures," "Pushkin in the U. S. S. R.," etc. The Book Chamber also prepared a notable exhibition of Soviet books in Prague during March of 1924.

Theoretical requirements, as well as the needs of political and State organizations, led at first to the incidental compilation of book statistics and later to the creation of an Information and Statistical Department for the purpose of recording publishing activities systematically. The following books have been published in this connection: "The Press of the Russian Socialist Federated Soviet Republic in 1923," and "Book Statistics in Soviet Russia (1918-23)" by N. F. Yanitsky. Another book containing statistical data on publishing activities during 1923 is in preparation for the press, and a similar volume for 1924 will be ready in the near future.

Having solved the problems of a practical character connected with the registration of publications, the distribution of copies to libraries, the compilation of publishing statistics, and the organization of exhibitions, the Book Chamber turned in 1924 to the theoretical study of book registration in order to introduce unity and efficiency into the extensive book activities in progress not only in Moscow and Leningrad, but in all the centers of more or less importance throughout the Republic. For this purpose the question of creating a special department for the theoretical treatment of book registration problems is now under consideration. The All-Russian Bibliographic Congress was convened by the Book Chamber in December 1924 with the same end in view.

Traveling Libraries in White Russia

Forty traveling libraries equipped with recent literature have been organized in Minsk to supply the reading huts and "People's Houses." Each traveling library will be installed in a reading hut (Rural Library) for a period of six months, after which it will be relieved by a new traveling library. But this measure can only partly satisfy the hunger for books in the villages of White Russia, which did not exist before they were awakened to their need of culture by the Soviet Government.

Miscellaneous News

Death Toll Among Leading Soviet Workers

Since the death of Nariman Narimanov, one of the four Presidents of the Central Executive Committee of the U. S. S. R. which occurred on March 19, a succession of tragical events has deprived the Soviet Government of a number of its prominent workers. On March 20, one day after the death of Narimanov, Miron Konstantinovich Vladimirov, a veteran of the Russian Revolution, died of hemorrhage at the age of 46, having spent his health in more than twenty years of untiring activities both as a revolutionary fighter against the Tsarist regime and as organizer after the triumph of the Revolution. He was Commissar for Finances of the R. S. F. S. R. (Soviet Russia proper) and Vice-President of the Council of People's Commissars of the Soviet Union.

On March 22 an aeroplane accident caused the death of three leading figures of the Transcaucasian Soviet Federation: A. F. Miasnikov, member of the Presidium of the Central Executive Committee of the Soviet Union and formerly premier of Soviet Armenia; S. G. Mogilevsky, Chairman of the Transcaucasian Extraordinary Commission and member of the Transcaucasian Central Executive Committee, and G. A. Atarbekov, Assistant Commissar of the Workers' and Peasants' Inspection and representative of the Federal Commissariat for Posts and Telegraphs in Transcaucasia.

On the same day Dr. Julian Marchlewski (Karski), a veteran of the revolutionary movement, member of the All-Russian Central Executive Committee who also served in a prominent capacity on various diplomatic missions and economic organizations, died after a long illness.

A Commercial Year-Book of the Soviet Union

A Commercial Year-Book of the Soviet Union for 1925, compiled in London by Louis Segal, Ph.D., M.A., and A.A. Santalov, Graduate in Economics and Law, Moscow University, has been published in New York by B. W. Huebsch, Inc.

The Year-Book contains over 400 pages of facts and statistical information about the Soviet Union. It is divided into twelve chapters bearing the following titles: (1) Political organization of the U. S. S. R.; (2) Foreign Relations; (3) Agriculture, etc; (4) Mineral Resources; (5) The Cooperative Movement; (6) Transport and Communications; (7) Internal Trade; (8) Foreign Trade; (9) Finance; (10) Labor; (11) Education; (12) Appendix (The Legal System, Diary of the year 1924, etc.)

The chapter on foreign trade, which takes up nearly one-third of the volume, will be of particular interest to Americans who wish to participate in the rapidly developing international trade of the Soviet Union. In addition to full statistical in-

formation the chapter contains a full exposition of the system and organization of the foreign trade of the Union, and the entire customs tariff. The chapter on finance, with its comprehensive description of the banking and currency system of the Soviet Union, will also give much information to Americans engaged in foreign commerce and investments.

This is the first time that full statistical information about the Soviet Union has been brought together in concrete form in English. The Year-Book should prove a valuable reference book for American commercial and financial organizations.

Women Holding Public Office in the U. S. S. R.

Nearly 50,000 women hold public office in elective bodies in the Soviet Union this year. Forty thousand women are members of the rural Soviets, 200 of them being presidents of these bodies. In the city Soviets there are 6,000 women. One thousand women are members of District ("Volost") Executive Committees, including twenty district Presidents, and there are 100 women in County ("Uyezd") Executive Committees, and 75 in Provincial Executive Committees.

This does not include the many women who hold administrative posts in the Government, among them an ambassador and a woman occupying a high post in the army. Of these some of the more important are as follows: Krupskaya (Mme. Lenin), Chairman of the Department of Political Education; Mme. Trotzky, Chairman of the Committee for the Preservation of Art Museums; Mme. Kollontai, Ambassador to Norway; Mme. Kameneva, Chairman of the Federal Bureau for Cultural Relations; Mme. Bitzenko, Chairman of the Cooperative Institute; Mme. Lilina, Director of Welfare Activities in Leningrad Province.

The percentage of women members in Soviet bodies has increased markedly, as is shown by the following table:

Soviet Body	Percentage of women members,	
	in 1921	in 1924
Rural Soviets	0.0	7.9
District ("Volost") Executive Committees	0.0	6.0
City Soviets in County ("Uyezd")		
Towns	7.8	17.9
City Soviets in Provincial Centers....	3.5	19.9

Vologda leads the provinces with 36 per cent of its elected bodies composed of women this year. The Votjak Autonomous Area is second with 32.4 per cent and Novgorod third with 26.7 per cent.

The next issue of the Russian Review will contain a large double-page map of the Asiatic territory of the Soviet Union showing all the administrative subdivisions.

Cotton Industry

About 42,600 tons of cotton were spun in textile mills of the Soviet Union during the first quarter of the current fiscal year October 1, 1924 to January 1, 1925. This was an increase of 50 per cent over the same period last year. At the beginning of January there was 3,110,000 spindles and 78,884 looms (respectively 57.8 per cent and 67.9 per cent of total capacity) at work.

Sales of finished goods during the quarter amounted to 173,300,000 rubles. The textile syndicates on February 1 reported a cash balance of 27,000,000 rubles as compared with 14,000,000 rubles on October 1 last. It was announced that the further expansion of the textile industry, which calls for a 60 per cent increase in production this year, could be fully carried out by means of the industry's own resources.

The acreage planted to cotton in the Soviet territory will be increased by about 35 per cent this year. The imports of raw cotton from the United States, which last year amounted to about \$40,000,000, are expected to continue.

Gold Mining in the Soviet Union

The Soviet Government is preparing to increase gold production by the expansion of the State gold-mining syndicates, the encouragement of small operators and the granting of concessions.

Gold mining in the Soviet Union fell rapidly during the world war and virtually ceased during the civil war period. The revival began in 1922. During the fiscal year 1922-23 the production was 700 poods (a pood is 36 pounds), and during the last fiscal year it was 1,755 poods, about 40 per cent of the production in the United States. In 1913 it was 3,715 poods. The value of the gold mined last year was about \$20,000,000.

It is conservatively estimated that in the Amur region alone there are virtually untouched mineral gold reserves amounting to 275,000 poods, equal to nearly \$3,000,000,000.

Third Federal Soviet Congress

The Third Congress of the Soviets of the U. S. S. R. will convene in Moscow on May 8, 1925. The following matters are on the agenda:

1. The entrance of the Turkoman and Uzbek Soviet Socialist Republics into the U. S. S. R.
2. Report of the Government of the U. S. S. R.
3. Industrial situation of the U. S. S. R.
4. Measures for the advancement of agriculture: (a) Agricultural credits; (b) Situation of home industries; (c) Agriculture; (d) Agricultural co-operatives, etc.
5. Problems of Soviet reconstruction.
6. Report of the People's Commissariat for Finances of the U. S. S. R.
7. Report on the Red Army.
8. Formation of the Central Executive Committee of the U. S. S. R. (Election of the members of the Council of the Union and confirmation of the members of the Council of Nationalities).

Motor Transport

As a consequence of the economic revival motor transport is moving forward rapidly in the Soviet Union.

"Autopromtorg," the special stock company formed in 1923 by the Commissariats of Transportation and Foreign Trade, for the development of motor transport, has announced that its inter-city bus lines and trucks will carry 12,000,000 passengers and 1,000,000 tons of freight this year. Sixty of these lines will be in operation this year, connecting the more important industrial centers in central and southwestern Russia, as well as in the Kirghiz Republic, the Mongolian border and Turkestan. The longest line is between Urga and Kalgan, 730 miles.

The program of "Autopromtorg" for the year includes the sale of automobiles, parts and supplies amounting to about \$10,000,000.

In addition several of the principal cities are beginning to install passenger buses. Moscow imported several score of buses from England and Germany last year and has now asked permission of the Commissariat of Transport to import 100 more. The local authorities at Kiev recently announced that they would import 75 buses for local transport.

In connection with the International Motor Trials to be held in the Soviet Union in August demonstrations of foreign makes of buses and trucks will be held in over twenty cities.

PAMPHLETS

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
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3. Financial Policies of Soviet Russia.—25c.
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In the next few days the Russian Information Bureau expects to receive a number of copies of the
Official Report of the British Trades Union Delegation to Russia

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Soviet Oil Exports for First Half of 1924-25

THE results of the Oil Syndicate's export activities during the first half of the current fiscal year may already be summed up in a preliminary fashion.

Before examining the exports and sales effected during the period in question, it is well to point out the considerable role to be played by the exportation of fuel oil ("mazut") during the current fiscal year. The Oil Syndicate was called upon to sell 30,000,000 poods of "mazut" during the current fiscal year, and the accomplishment of this task was to determine in substantial measure the execution of the export program for the whole fiscal period.

The results of the first half year make it possible to observe not only that the proposed program will be fulfilled with respect to exports of refined oil products, some of these, such as kerosene and gasoline, even exceeding the required volume, but also that the program has already been fulfilled to the extent of 80 per cent with regard to fuel oil ("mazut") insofar as sales are concerned.

During the first half of the current fiscal year the Oil Syndicate exported altogether 30,800,000 poods of oil products of all kinds, including 10,400,000 poods of kerosene, 6,100,000 poods of gasoline, 6,000,000 poods of lubricants, and 7,900,000 poods of fuel oil.

The fact that actual exports fell somewhat short of the program fixed at the beginning of the fiscal year for the first six months may be attributed to a number of unfavorable conditions during this period, such as storms on the Black Sea and heavy snow drifts in the Caucasus, and also chiefly to the circumstance that the sale of fuel oil began only toward the end of the first quarter and its exportation in substantial quantities did not commence until the second quarter.

The aggregate volume of oil product exports for the first half of the current fiscal year, 30,800,000 poods, was almost double the total of 16,000,000 poods for the corresponding period of the previous fiscal year.

As regards individual products, the expired six months showed export increases principally for gasoline, lubricants, and "mazut." An inspection of the export figures with reference to separate countries shows that the sale of the different oil products varied in the several national markets. Thus, kerosene was exported mainly to Near Eastern markets through the Standard

Oil and Shell companies. These markets absorbed about 70 per cent of the Soviet Union's total kerosene exports, while only 30 per cent was distributed among the Baltic States, Italy, Greece, and Belgium.

Of the gasoline exports 40 per cent went to France, 30 per cent to England, 26 per cent to Germany, and but comparatively insignificant amounts to Belgium and Italy.

Of the lubricating oils 60 per cent were exported to Germany, 10 per cent to England, 10 per cent to Italy, 10 per cent to France, and 9 per cent to Belgium.

"Mazut" exports were made principally to Italy (64 per cent) and to England (24 per cent), while small quantities went to France, Greece, and Belgium.

Whereas during the preceding fiscal year 1923-24 France took only insignificant amounts of mazut and lubricants from the Soviet Union, and insignificant amounts of Soviet kerosene, gasoline and lubricants had only begun to penetrate to the Italian market, the current fiscal year finds France occupying first place as an export market for Soviet gasoline, while Italy takes the leading rank with regard to mazut.

As previously mentioned the actual exports of oil products during the first half of the current fiscal year fell somewhat short of the figure set for the six months at the beginning of the fiscal period. However, it would be premature to use these actual export figures to pass judgment upon the successful operation of the oil export program for the present fiscal year. In this matter the figures of sales effected during the half year in question by the Oil Syndicate will serve as a firmer basis for drawing conclusions as to whether the program will be fulfilled.

The contracts closed by the Oil Syndicate up to April 1 for delivery before the close of the present fiscal year furnish assurance with respect to some oil products (kerosene and gasoline) not only that the program will be accomplished, but also that it will be surpassed, while with respect to other principal oil products, such as mazut and lubricants, contracts already concluded supply a firm basis for the assertion that the program will be executed in full.

The following table shows the sales of various oil products already made during the current fiscal year for delivery before October 1, 1925:

	Total in Poods Sold up to April 1 for delivery Before October 1, 1925
Oil Products	
Kerosene	23,700,000
Fuel Oil ("Mazut")	22,800,000
Gasoline	13,050,000
Lubricants	14,540,000
Residue Lubricants	430,000
Oil Containing Paraffin	2,080,000
Emba Oil	385,000
Gas-Oil	1,200,000
	<hr/>
Total	78,200,000

This aggregate of 78,200,000 poods constitutes 90 per cent of the entire fiscal year's export sales program and fully justifies the statement that the sales effected up to April 1 guarantee the successful execution of the oil export quota.

Soviet Foreign Trade

OWING to the cessation of exports of wheat and rye, Russian foreign trade for February showed an unfavorable trade balance for the first time since August, 1924. The exports were valued at 37,800,000 gold rubles and the imports at 45,300,000 gold rubles at current prices, leaving an adverse balance of 7,500,000 gold rubles. Exports showed a decrease of 8 per cent as compared with January, while the imports increased 42 per cent.

Cotton valued at 7,732,000 gold rubles lead among the imports, the bulk of it purchased in the United States. High grade wool to the value of 5,379,000 gold rubles was imported; and machinery and tractors worth 4,600,000 gold rubles, mostly from England and Germany. The principal exports were flax, furs, oil cake, seed, and petroleum products.

Preliminary Foreign Trade Figures for the First Half of 1924-25

According to preliminary figures given out to the press by Mr. M. I. Frumkin, Acting Comissar for Foreign Trade the total foreign trade turnover for the first six months of the current fiscal year (October 1, 1924 to April 1, 1925) amounted to 464,000,000 gold rubles at current prices. This amount exceeds by 11.5 per cent the turnover for the analogous period of the preceding year.

The exports amounted to 233,000,000 gold rubles which is a decrease of 34,000,000 as compared with last year's exports for the same period (267,000,000 gold rubles). This decrease is to be explained by the fact that there were practically no grain exports during the period in question and that a number of commodities which are to make up for the reduction of grain exports, such as butter, eggs, timber, etc., are exported mainly during the second part of the year.

Soviet Fur Exports

The United States is importing a steadily increasing number of Russian furs. Last year

American importers received 32 per cent of the Russian fur exports, standing second on the list of countries in this trade. England took 41 per cent and Germany 27 per cent. Before the war over 70 per cent of the Russian furs went to Germany. Furs now stand first on the list of Russian products exported to the United States.

Cooperative organizations handle through their own agencies 20 per cent of the fur exports from the Soviet Union.

The increase in Soviet fur exports to all countries is shown by the following table:

Fiscal Year	Value Gold rubles
1922-23	31,500,000
1923-24	51,858,000
First 5 months of 1924-25.....	25,685,000

As in all Soviet statistics, the above values are given on the basis of pre-war prices. Thus the official Soviet figures give the value of fur exports to the United States last year as 16,393,000 gold rubles, or about \$8,400,000, whereas the Russian-American trading organizations reported fur sales of about \$11,000,000 in the United States.

Soviet Union's Butter Exports

During the expired season (July-December 1924) the Soviet butter exporting organizations delivered to London, the principal market for the sale of this commodity, 244,991 tubs of butter with an aggregate weight of 14,417 tons. This total was distributed as follows among the several exporting organizations:

	Tubs
"Selskosoyuz" (Union of Agricultural Cooperatives)	75,242
Butter Export Section of State Trading Bureau...	64,022
"Khleboprodukt" (Grain Products Company)...	46,012
"Centrosoyuz" (Central Union of Consumers' Cooperatives)	42,788
Arcos	16,937

It may be added in particular that the Butter Export Section of the State Trading Bureau sold 20,000 tubs to Germany besides the quantity above noted. The aggregate of 84,022 tubs disposed of by the Butter Section included 37,000 tubs shipped on commission by agreement with the Siberian Trading Company. The total sum realized by the Butter Export Section of the State Trading Bureau on the sale of butter was £700,000.

Resumption of Wool Exports

Having ascertained that the situation on the foreign markets, England in particular, is favorable for the sale of certain special sorts of Russian wool needed particularly for the manufacture of rugs, the State Trading Bureau has begun to purchase wool in the Northern Caucasus, in Siberia and Central Asia.

By the end of April the State Trading Bureau forwarded to England an initial cargo of 50,000

poods of wool for the amount of approximately 1,200,000 gold rubles. This shipment marks the renewal of Russian wool exports which had been discontinued since the outbreak of the world war.

If this quantity is disposed of profitably, the State Trading Bureau intends to extend considerably its wool purchasing operations.

Before the war Russia exported up to 1,000,000 poods of wool annually.

Industrial Equipment Imports from 1920 to 1924

Due to the fact that quite a number of indispensable machines, apparatus, instruments and other mechanical equipment is not produced in the Soviet Union, the importation of such manufactures for the outfitting and operation of industrial enterprises, electric power stations, etc., is naturally of outstanding importance in the country's economic reconstruction.

Before the war Russian industries received the equipment they required from abroad each year in the amount of large sums. The equipment of

the Soviet Union's industrial plants, worn out during the years of war and revolution, urgently demands replacement through the importation of the necessary apparatus. Since the resumption of the country's foreign trade in 1920, however, very little has been done in this regard, even taking into account the nation's limited resources and the relatively small volume of foreign trade during recent years.

The following table shows the imports of equipment for factories, mills, and electric stations from 1920 to 1924, as compared with the aggregate commodity imports for these years, the imports of industrial raw and semi-manufactured products and auxiliary materials, the imports of equipment for transportation and communication (railways, telegraphs, telephones, radio), and the imports of agricultural machinery, implements and parts. The values given are based on prices prevailing during the year 1913, the totals for the latter year being included for purposes of comparison.

Commodity Imports across the European Frontier Based on 1913 Prices

Year	Total Imports of All Commodities		Imports of Equipment and Hand Tools for Industrial Enterprises, Electric Stations, Laboratories, and Public Utilities		Imports of Raw and Semi-Manufactured Products and Auxiliary Materials		Imports of Equipment for Transportation and Communication		Imports of Agricultural Machines, Implements and Parts	
	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total	Gold Rubles	Percentage of total
1913	1,146,249,000	100	133,879,000	11.7	512,171,000	44.7	24,521,000	2.1	45,261,000	3.9
1920	28,470,000	100	1,638,000	5.8	6,057,000	21.3	301,000	1.1	2,304,000	8.1
1921	208,325,000	100	7,720,000	3.7	23,176,000	11.1	21,353,000	10.2	15,551,000	7.5
1922	270,089,000	100	8,707,000	3.2	42,634,000	15.8	50,061,000	18.6	4,869,000	1.8
1923	144,056,000	100	14,229,000	9.9	81,596,000	56.6	10,001,000	6.9	2,883,000	2.0
1924	217,837,000	100	15,739,000	7.2	143,120,000	65.7	11,694,000	5.4	6,801,000	3.1
1920-24	868,777,000	100	48,033,000	5.5	296,583,000	34.1	93,410,000	10.8	32,408,000	3.7

It is observed that the ratio of imports of industrial equipment and tools to total imports is only 5.5 per cent on the average for the year 1920 to 1924 inclusive, as against a ratio of 11.7 per cent for 1913. Furthermore, the combined value of the industrial machinery and tool imports for these five years is only 48,000,000 gold rubles in round figures, as compared with 134,000,000 rubles for the single pre-war year 1913. It is noteworthy that a comparison of pre-war and post-war imports of agricultural machinery and implements, and particularly of transportation and communication equipment, presents a different picture. The aggregate imports in the latter group for the five years in question are approximately four times the volume for 1913, and their ratio to the total imports averages 10.8 per cent, as against 2.1 per cent for 1913. The ratio of agricultural machinery and implement im-

ports to the total imports remained virtually unchanged, the average for the five post-war years being 3.7 per cent, as compared with 3.9 per cent in 1913.

From the foregoing it must not be concluded that the interests of the country's industries have been neglected in favor of other branches of national economy as a result of the regulation of foreign trade. Industrial interests have, on the contrary, received a sufficiently large share of attention, especially during the last two years of normal development of foreign trade. However, up to the present this attention has been centered almost entirely on the importation of industrial raw materials, which have assumed dominating importance in the Soviet Union's import trade, constituting 56.6 per cent of total imports in 1923 and 65.7 per cent in 1924.

Soviet Cotton Purchases in America

On his return from a visit to the United States, on behalf of the All-Russian Textile Syndicate, Mr. Matveyev, Chairman of the Board of Directors of the Orekhovo-Zuyev Cotton Trust, made the following statement on Soviet cotton purchases in America:

"Up to April our American cotton purchases aggregated 166,000 bales. Shipments began in December. May shipments will amount to about 31,000 bales. We have made our shipments ex-

clusively by boat loads, thus securing the advantage of low freight costs. Freights from New Orleans to Murmansk are very little higher than from Liverpool to Murmansk. Our freight cost averaged about \$2.50 per bale.

"The credit situation for Soviet cotton purchases in the United States has improved materially.

"I found a very favorable attitude towards our business on the part of the banks and the cotton trading circles of America, which gives us hope for future development."

The Capital of the Soviet State Bank

IN its issue of March 1, the *Russian Review* reported the increase of the capital of the State Bank of the Soviet Union to 100,000,000 gold rubles. In connection with this important financial measure of the Soviet Government, Professor N. Silin published in the "Financial Gazette" of Moscow the following article comparing the capital of the State Bank with that of foreign banks:

At those moments when the economic life of a country sets forth ever greater and greater tasks before the central bank of issue, the question of enlarging that bank's capital usually takes its place upon the order of the day. In the history of Europe's banks of issue there may be found examples of heated discussions of this question, the capital increase being defended from two viewpoints as to the nature and character of the bank's capital: from the standpoint (pre-eminently Anglo-French) of its significance as a guarantee fund for the bank's creditors, and from the point of view (chiefly German) arguing for the increase of the bank's capital by reason of the necessity of expanding the credit institution's operating resources.

However, from whichever of these two viewpoints the problem in question be judged, it is necessary to bear in mind the altogether special character of a central bank of issue, to which the standards possessing validity for the ordinary credit institutions are not applicable without modifications. Therefore, it was quite properly shown at one time, for example, in Germany that the customary ratio between the bank's own resources and its ob-

ligations was inadequate in the case of the Reichsbank, and that, as a guarantee fund this bank's capital ought to be increased. Still greater importance attaches to the statement of the well known specialist in matters pertaining to banks in general and issue banks in particular, Ad. Wagner, who thought that central banks of issue must as a rule possess large resources of their own in order to cope successfully with their principal task—the regulation of monetary circulation; for, a central issue bank must constantly combine a solicitude for the satisfaction of the credit demands of national economy with care for an excellent coverage for bank-notes in strict accordance with the demands of an issue policy.

The increase now being carried out in the Soviet Union's State Bank's capital therefore assumes great importance. Some of the most important banks of issue in the world have a smaller capital than that which will now be possessed by the State Bank, their inferiority appearing both in the absolute figures and in proportion to their total resources, circulation, and deposits.

The capitals of the Bank of England and of the American Federal Reserve Banks are very large. If the ratio of the capital to the total resources is taken, it is observed that the figures illustrating this relation in the case of the Soviet State Bank are beginning to approach those for the foreign banks in question. Thus, if the issue department of the Bank of England and the issue division of the State Bank are left aside, the ratio of capital to the total resources for the two institutions is:

	Capital	Total Resources	Ratio
Bank of England, Dec. 17, 1924.....	£14,553,000	£137,195,749	10.6
Soviet State Bank before Capital Increase.....	57,900,000 Gold Rubles*	1,085,700,000 Gold Rubles	5.8
Soviet State Bank after Capital Increase.....	107,900,000 "	1,085,700,000 "	9.9

If the data on the Soviet State Bank are compared with the total resources of other issue banks and with the data on the volume of bank-

notes issued by them and the deposits received, the ratio is now in many cases in favor of the Soviet State Bank.

* 7,900,000 gold rubles of reserve capital.

	Capital	Circulation	Deposits	Total Resources	Percentage Relation of Capital to		
					Total Resources	Circulation	Deposits
U. S. Federal Reserve, Dec. 19, 1924	\$332,950,000	\$1,871,350,000	\$2,256,310,000	\$4,328,610,000	7.7	17.8	14.8
Bank of England, Dec. 17, 1924.....	£14,553,000	£125,503,780	£119,308,260	—	—	11.6	12.2
Reichsbank, Dec. 15, 1924.....	90,000,000 Gold Marks	172,322,600 Gold Marks	—	5,224,767,000 Gold Marks	1.7	5.2	—
Bank of France, Dec. 18, 1924.....	182,500,000 Francs	40,518,419,720 Francs	1,986,705,118 Francs	45,512,740,242 Francs	0.4	0.5	9.2
Soviet State Bank before Capital Increase	57,900,000 Gold Rubles	518,900,000 Gold Rubles	331,900,000 ¹ Gold Rubles	1,628,700,000 Gold Rubles	3.6	11.2	17.4
Soviet State Bank after Capital increase	107,900,000 Gold Rubles	518,900,000 Gold Rubles	296,900,000 Gold Rubles	1,628,700,000 Gold Rubles	6.6	20.8	36.3

It has already been pointed out above that in the question with which we are concerned the central banks of issue must be regarded from a different point of view than the ordinary commercial credit banks. In view of this it appears quite proper that in comparison, for example, with the

most important English banks of deposit the ratio of capital to liabilities and to the total resources should now appear higher in the case of the Soviet State Bank, as the following figures show:

	Capital	Deposits	Total Resources	Percentage Ratio of Capital to	
				Total Resources	Deposits
Barclay's Bank.....	£15,592,000	£292,475,000	£326,416,000	4.8	5.3
Lloyd's Bank.....	£14,374,000	£335,501,000	£379,352,000	3.8	4.3
Midland Bank	£11,977,000	£350,277,000	£407,779,000	2.9	3.4
National Provincial Bank	£9,479,000	£252,028,000	£281,310,000	3.4	3.8
Westminster Bank	£9,052,000	£261,812,000	£293,536,000	3.1	3.5
Soviet State Bank after Capital Increase	107,900,000 Gold Rubles	296,900,000 Gold Rubles	1,628,700,000 Gold Rubles	6.6	36.3

More significant at present is the ratio between the Soviet State Bank's capital and its total resources and deposits as compared with the majority of the large French banks. In this connection it is curious to observe that the ratio in question was incomparably more favorable for the French banks before the war than it is now, and

the low ratio prevailing at the present time was brought about only as the result of the tremendous events that have shaken the whole world. The figures similar to those of the preceding table are as follows with respect to the leading French banks (in millions of francs):

	Capital	Reserves	Deposits	Total Resources	Percentage Ratio of Capital to		Percentage Ratio of Capital to	
					Capital & Reserve to Total Resources	Capital & Reserve to Deposits	Capital & Reserve to Total Resources	Capital & Reserve to Deposits
Credit Lyonnais								
Sept. 30, 1924.....	250.0	225.0	5,365.9	6,297.3	4.0	7.5	4.7	8.9
Dec. 31, 1913.....	250.0	165.0	2,235.0	2,834.1	8.8	14.6	11.2	18.6
Societe Generale								
Sept. 30, 1924.....	500.0	57.0	4,151.9	6,461.3	7.7	8.6	12.0	13.4
Dec. 31, 1913.....	250.0	124.5	1,792.7	2,361.7	10.6	15.9	13.9	20.9
Comptoir National d'Escompte								
Sept. 30, 1924.....	250.0	74.1	4,215.8	4,872.4	5.1	6.7	5.9	7.7
Dec. 31, 1913.....	200.0	42.6	1,414.4	1,876.4	10.7	12.9	14.1	17.2
Soviet State Bank (after Capital Increase—in millions of gold rubles).....	107.9	—	296.9	1,628.7	6.6	—	36.3	—

¹Excluding allotments for agricultural loans.

In its absolute magnitude the present capital of the Soviet State Bank is exceeded only by the Bank of England and the United States Federal Reserve, insofar as banks of issue are concerned. Of the large British deposit banks two (Barclay's Bank and Lloyd's Bank) still surpass the capital of the Soviet State Bank more or less, while a third (Midland Bank) approaches it. On the other hand, the capital of the Soviet State Bank now exceeds in absolute size that of such strong banks of issue as the Bank of France and the Reichsbank, as well as of quite a number of British commercial banks and all the French banks.

Currency, Loans and Banks

MONEY in circulation in the U. S. S. R. increased by nearly 150,000,000 gold rubles (\$75,000,000) during the first six months of the current fiscal year beginning October 1, 1924. On April 1, money in circulation was 765,713,400 rubles, as compared with 730,019,900 rubles March 1, 622,700,000 rubles Oct. 1, 1924 and 271,000,000 rubles Oct. 1, 1923. The par value of the ruble is \$.5146, but since April 1, 1924, the ruble has held steady on European exchanges at \$.516, slightly above the dollar parity. Since last July the whole volume of currency has been on the new chervontz gold basis.

The silver coinage, which was begun in March of last year, and the copper coinage, begun last July, is steadily crowding out the small change paper tokens.

The following table, based on preliminary data, shows the circulation March 1 and April 1:

Kind of Currency	Circulating on March 1 Gold Rubles	Circulating on April 1 Gold Rubles	Percentage of Total
Bank-notes of			
State Bank	376,868,300	402,387,300	52.6
Treasury Bills.....	235,929,700	244,549,000	31.9
Silver Coin.....	91,559,300	95,818,700	12.5
Copper Coin.....	2,728,800	3,320,600	0.4
Small change paper tokens.....	22,933,800	19,637,800	2.6
Total	730,019,900	765,713,400	100.

New Internal Loan Quickly Oversubscribed

On April 7 subscriptions were opened in the Soviet Union for a short-term internal loan of 10,000,000 gold rubles at 5 per cent interest. Early reports from Moscow, Leningrad and some other large cities showed that the loan had been oversubscribed within three days by more than 2,000,000 rubles. The length of the original subscription period was accordingly reduced, but subsequent reports from the smaller centers of population revealed that the applications made for these bonds totaled 51,716,830 gold rubles, over five times as much as required. Although the extent

of this loan was comparatively small, the rapidity with which it was taken up furnishes another indication of the general improvement in the country's financial condition and the people's confidence in the stability of Soviet finances.

Arcos Banking Corporation Becomes Bank for Russian Trade

The well known Arcos Banking Corporation, Ltd., of London, which has played so prominent a role in the development of Soviet-British trade, changed its name on April 14 to the Bank for Russian Trade, Ltd. Its former name was due to the fact that it was originally founded to finance the transactions of Arcos Limited, an organization incorporated in England and conducting an extensive import and export trade with the Soviet Union. The scope of Arcos Banking Corporation's service, however, has steadily expanded over so large a part of Soviet-British trade in general that it was deemed best to change the institution's name in accordance with the enlarged sphere of its activities. The bank will maintain its general policy unaltered and will continue to finance the operations of Arcos Limited.

Branch of Foreign Trade Bank in Constantinople

On March 29, 1925, the Bank for Foreign Trade of the U. S. S. R. opened a branch in Constantinople. The establishment of this branch, which is the first to be set up abroad by this institution, was prompted by the rapid development of the Soviet Union's trade with the Near East.

FINANCIAL STATEMENT of the Issue Department of the SOVIET STATE BANK On April 16, 1925

<i>Assets</i>	<i>Chervontzy</i>
Gold (coin and bullion).....	17,994,255
Platinum (bullion).....	1,839,137
Foreign Bank Notes (at rate of £=9 rubles and \$1=1.94 rubles).....	5,688,810
Drafts in Foreign Currency for the total amount of 456,126.6 cherv., less regular discount.....	410,514
Discounted bills in chervontzy 39,169,505.3 less regular discount.....	35,252,555
Securities covering advances on goods 2,849,698.8 less regular discount..	2,564,729
Total.....	63,750,000
<i>Liabilities</i>	<i>Chervontzy</i>
Notes transferred to State Bank.....	63,153,197
Balance to which notes may still be issued	596,803
Total.....	63,750,000
63,750,000 chervontzy equal 637,500,000 gold rubles	

Phosphate Fertilizer Industry

THE phosphate fertilizer industry in the Soviet Union offers attractive opportunities for profitable development. The country's agriculture has been suffering from a shortage of phosphates and the elimination of this scarcity is one of the most pressing economic needs. Expert agronomists calculate that the annual requirement of superphosphates will average 12,000,000 poods during the forthcoming years. This does not include the consumption of pulverized mineral phosphates, which are steadily assuming greater importance.

The lack of capital needed for the installation of modern mining and handling equipment has seriously hampered the Soviet Union's phosphate fertilizer industry and has led to high prices for superphosphates. As a result superphosphates are almost exclusively employed for special crops and not for ordinary grain farming. This situation has an adverse effect on agricultural productivity, as will be readily realized when it is considered that the efficiency of agriculture in Western Europe is dependent largely upon the regular use of mineral fertilizers, of which Belgium, for example, employs proportionately twenty-five times as much as the Soviet Union.

Yet the Soviet Union has inexhaustible resources of the minerals from which phosphate fertilizers can be prepared. This is one of the fields in which investments of foreign capital could secure a handsome return. While the prepared superphosphates would have to depend upon the domestic Soviet market, the exportation of raw phosphorite mineral, as demonstrated by negotiations already begun, is feasible and profitable, provided mining operations are conducted on an adequate scale.

The largest phosphorite deposits thus far discovered in the Soviet Union are situated in the Vyatka Province. However, there are no immediate prospects for a large scale exploitation of these deposits owing to the very heavy preliminary expenses that would be required to start the industry and also because of the necessity of exploiting the northern forests of the Kama River region simultaneously, since conditions in this region are such that the operation of the phosphorite enterprise alone would bring too small a return.

The Yegorievsk phosphorite deposit, located in the central part of European Soviet Russia, near the city of Moscow, does, on the contrary, possess excellent exploitation possibilities. This deposit is already being worked to some extent by mechanical methods and yields a phosphate mineral well adapted to the production of superphosphates. The "Phospat" Joint-Stock Company, with an authorized capital of 450,000 gold rubles, was

established some time ago for the exploitation of the Yegorievsk deposit, which contains a reserve of 400,000,000 poods of phosphorite on a comparatively small area, while the reserves of the entire Yegorievsk deposit may be estimated at 3,500,000,000 poods. By increasing the number of excavating machines and the leaching equipment, now of a very primitive character, the annual output of phosphorites could be brought up to 10,000,000 poods, enough for the preparation of 2,000,000 poods of superphosphates a year.

The Kineshma and Chernoreche plants belonging to the "Phospatotuk" Trust can produce 3,000,000 poods of superphosphates during the year 1924-25. They have been designed in such a way as to enable each plant to expand its output up to 4,000,000 poods a year.

Both the output of the mines as well as of the plants could be greatly increased with the help of foreign capital.

Electrification in the U. S. S. R.

DURING the present year the first step in the program of doubling the supply of electric power in the Soviet Union has been completed. By October 1 the Soviet Government will have spent the equivalent of \$70,000,000 in the establishment of seven regional power stations and the rehabilitation of existing stations.

Russia has been conspicuously a backward nation in the development of electrical power. The Tsarist Government made no effort to exploit the immense resources of the country for electrical development. In 1917 there were 561 stations furnishing power for general domestic and industrial use and their total capacity was only 394,000 kilowatts. Plants not engaged in public service had a total capacity of about a million kilowatts. Only one station in all Russia was capable of furnishing 20,000 kilowatts. There was a sharp deterioration during the civil war period.

In 1920 the Chief Electrical Board of the Supreme Economic Council drew up a comprehensive plan for electrical development, but owing to lack of working capital little progress was made up to last year.

The first part of the program called for the restoration of existing plants to full capacity of about 1,500,000 kilowatts. This part of the program has already been accomplished. The second part of the program called for the erection of thirty new regional power stations with the capacity of an additional 1,500,000 kilowatts. Seven of these stations will be completed this year, furnishing by October about half their full capacity of 200,000 kilowatts. Four are already in partial operation. These plants are enterprises of the Federal Government, and in addition local

authorities in five cities are erecting plants with an aggregate capacity of 30,000 kilowatts.

Of the seven regional stations, two will be in the Leningrad region, two in the Moscow region, one near Nizhi-Novgorod, one in the Don coal district and one in the Urals.

The regional stations will materially lower the price of electric current for the districts they serve. The Volkhov plant, near Leningrad, where water power is used, can produce power at a cost of 2 kopecks (1 cent) per kilowatt hour, and the Shterov plant in the Don, running with small anthracite, can produce for 2.5 kopecks per kilowatt hour, including provision for sinking fund. The stations near Moscow will use peat and coal waste as fuel.

Plans drawn up by the Government experts for the eventual complete electrification of Russia are based on an annual consumption of 50 kilowatt hours per capita. They will involve a total expenditure of fifteen billion rubles (about \$7,700,000,000) and a total power capacity of 15,000,000 kilowatts. The thirty stations to be completed during the next few years mark the first phase of this ambitious program. It is estimated that the full program will cover at least twenty-five years of construction.

At the All-Russian Hydrological Conference held last year it was estimated that Russia's water power resources were equivalent to seventy million horse-power. During his life-time Lenin repeatedly urged that Russia's economic salvation was bound up in the transformation of its "white coal" into electrical power. The improved financial position of the Soviet Republic has made it possible to take the first steps towards realizing what was called "Lenin's dream."

Industrial Progress

AT a session of the Directorate of Mines a preliminary report was rendered on the execution of production programs by the trusts in the oil industry during the first half of the current fiscal year.

The Azerbaijan and Grozny Oil Trusts showed a certain decrease in fuel oil output with an increase in the distillation of illuminating products, chiefly kerosene and gasoline. As a result of this and also because of the deficient fulfillment of production schedules in various regions, the total output for the Soviet Union is expected to fall short of the program for the first half of the current fiscal year by 10,270,000 poods, or by 8.8 per cent.

Big Oil Gusher in Baku Field

On April 8 it was reported from Baku that the oil gusher struck at well No. 125 in the Surakhany district continued to flow at the rate of 25,000 poods every 24 hours. From the time it was struck on March 25 up to April 7 this gusher had yielded over 550,000 poods of oil.

Manufacture of Matches

The manufacture of matches in the Soviet Union is increasing rapidly, as shown by the following figures presenting the production in cases of 1,000 boxes each:

Fiscal Year	Output in Cases
1922-23	1,423,000
1923-24	1,985,000
1924-25 (Program).....	2,400,000
1913 (Calendar Year).....	4,150,000

During the first quarter of the current fiscal year the actual production was 720,000 cases, an output appreciably greater than the scheduled program.

Iron Industry in the U. S. S. R.

The production of cast iron, martensite and rolled steel in the Soviet Union shows a big increase for the second quarter of the current fiscal year (January 1—April 1). Production of cast iron increased 80 per cent over the same period of last year and of martensite and rolled steel nearly 100 per cent. The output is still inadequate to cope with the increasing demand, especially for cast iron. As a result plans are under way to increase the original program of production for the year by 26 per cent.

The increase in production during the first two quarters of the current fiscal year is shown as follows:

	First Quarter Poods	Second Quarter Poods
Cast Iron.....	14,000,000	17,000,000
Martensite	24,000,000	27,000,000
Rolled Steel.....	16,400,000	18,700,000

Wool Industry

The program of the Textile Division of the State Planning Commission for the current fiscal year ending October 1 next calls for an increase of about 20 per cent over the wool textile production of last year. The program will probably be exceeded. The production called for is as follows:

Coarse Woolens	7,900,000 meters
Fine Woolens	7,800,000 meters
Worsteds	16,200,000 meters

Wool textiles have now reached about 75 per cent of the pre-war production.

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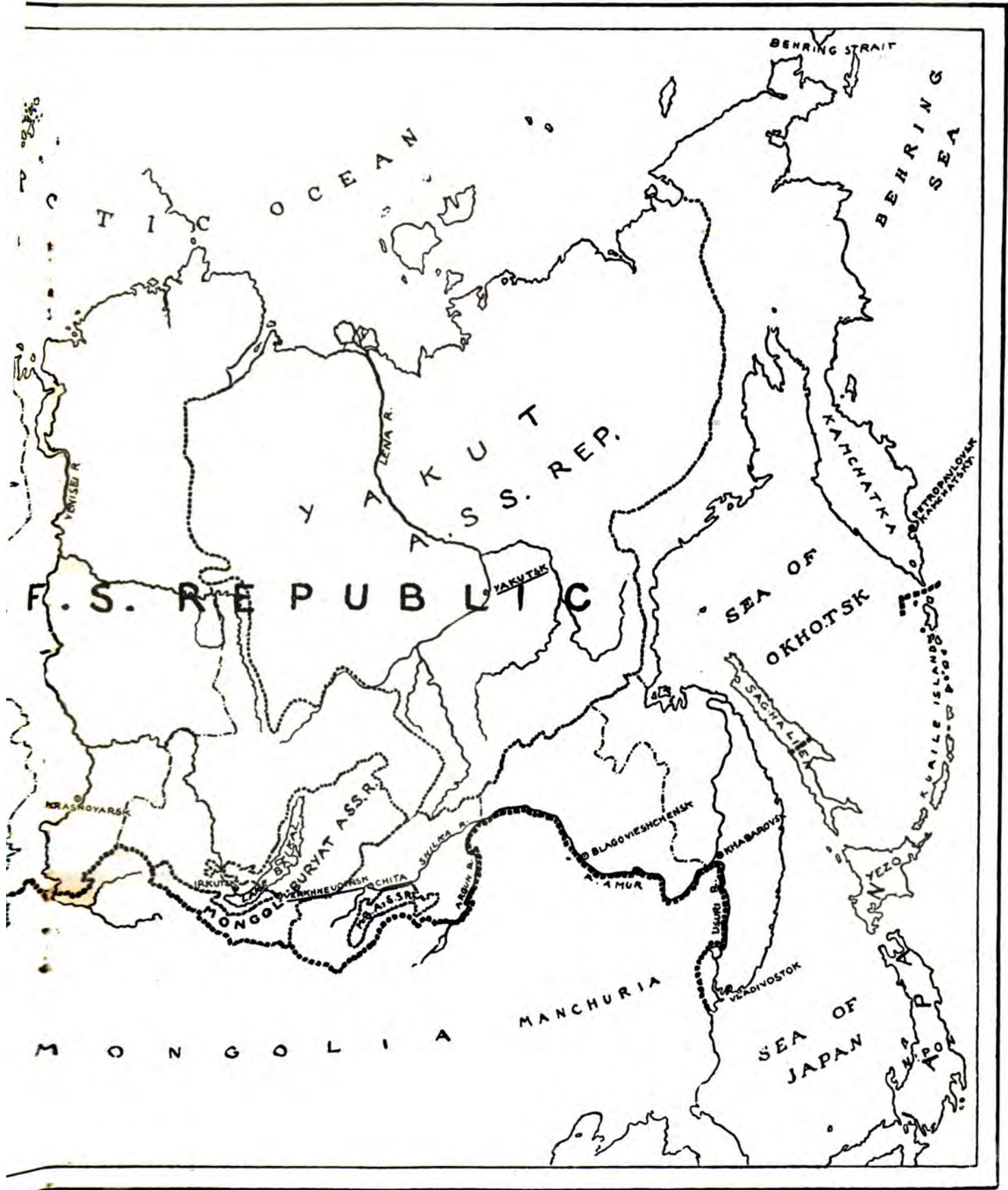
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ABBREVIATIONS

A.S.S. = AUTONOMOUS SOCIALIST SOVIET ; S.S. = SOCIALIST SOVIET
 S.F.S. = SOCIALIST FEDERAL SOVIET





Public Education in the Soviet Union

Forced retreat on the educational front in the Soviet Union was finally checked in 1923 thanks to the general improvement of conditions, the local authorities could launch a new systematical campaign in all spheres of public education.

The achievements of the various constituent and autonomous republics during the past year as compared with those of 1922-1923 are presented in the table below, which shows the number of institutions for general education and their attendance on January 1, 1923 and January 1, 1924.

	On January 1, 1923		On January 1, 1924		Percentage of increase (+) or decrease (-) as compared with 1923	
	Establishments	Attendance	Establishments	Attendance		
Russia proper:	72,659	5,748,974	74,338	6,176,033	+ 2.3	+ 6.9
Transcaucasian Republic:	64,967	5,186,852	65,838	5,489,031	+ 1.3	+ 5.8
Ukraine:	6,411	447,916	7,190	571,469	+12.2	+27.6
Central Asia:	1,281	114,206	1,310	115,533	+ 2.3	+ 1.2
Transcaucasian Republic:	18,428	1,548,532	16,590	1,633,385	-10.0	+ 5.5
Ukraine:	1,571	97,932	1,723	181,645	+ 9.7	+34.4
Central Asia:	3,147	280,170	4,025	438,571	+27.8	+56.5
U. S. S. R.:	95,805	7,675,608	96,676	8,379,634	+ 0.9	+ 9.2

Attendance in the institutions for general education for the period examined above has increased 9.2 per cent throughout the U. S. S. R., the total number of educational institutions in the Soviet Union increased very slightly, namely 0.9 per cent, that is, remained practically unchanged. In the various republics the situation is as follows: In absolute figures the most important increase of institutions took place in the Soviet Russia proper, (an increase of 2.3 per cent of establishments), and in the Transcaucasian Republic, where the increase amounts to 12.2 per cent, which is over one-fourth of the number of establishments for the preceding year (an increase of 27.8 per cent). But this increase is offset by a considerable decrease in the number of establishments in the Ukraine, where the schools were combined, involving an increase in the number of the pupils. The increase of attendance in the establishments for general education, the R. S. F. S. R., the Transcaucasian Republic, including Siberia and the Ukraine occupies first place as far as absolute figures are concerned, but proportionately the largest increase is to be noticed in the Transcaucasian Republic. There the number of establishments increased 27.8 per cent and the attendance 56.5

per cent, thanks to the intensive development of the Azerbaijan school system. The next place as to increased attendance belongs to the White Russian Soviet Republic, the increase amounting to 34.4 per cent after the extension of its territory. Within the territory of the R. S. F. S. R. the greatest increase in the number of educational establishments and students took place in Siberia, where the number of establishments showed an increase of 12.2 per cent and the number of pupils 27.6 per cent, i. e. more than one-fifth. Turkestan shows the smallest increase of educational establishments, namely 2.3 per cent, and a still smaller increase in attendance, namely 1.2 per cent.

However, while indicating the progress achieved in the development of the general educational establishments, these figures do not give a clear picture of the internal changes, which may have taken place in the various categories of schools.

The next table shows the changes which occurred in each class of institutions for general education as well as in their total attendance.

The figures given in this table include all constituent republics of the Union, with the exception of Transcaucasia, where a rigid classification of educational institutions has not yet taken place.

	1923		1924		Percentage of increase (+) or decrease (-) compared with 1923	
	Establishments	Attendance	Establishments	Attendance		
Elementary Schools (including kindergartens etc.):	1,363	66,400	1,109	52,767	-18.6	-20.5
Elementary Schools:	64,078	4,657,890	67,473	4,950,147	+ 5.3	+ 6.3
Elementary Schools ("Seven-Year Schools"):	17,609	1,660,156	16,910	1,882,113	-4.0	-13.4
Elementary Schools:	1,685	317,117	1,401	307,654	-16.9	- 3.0
Secondary Schools:	630	265,246	814	400,696	+29.2	+51.1
Technical Schools, Clubs, Colonies:	230	16,583	339	29,832	+47.4	+79.9
Technical Schools:	7,063	412,046	4,605	317,854	-34.8	-22.9
Total:	92,658	7,395,438	92,651	7,941,063	-0.01	+ 7.4

Elementary Schools from 8 to 12 years of age.
Secondary Schools from 12 to 17.

The principal conclusion to be drawn from this table is the following: The favorable balance of the past two years must be credited to the progress of school education, while other establishments such as kindergartens, creches, children's homes had to undergo considerable retrenchment. The kindergartens and creches decreased to the extent of 18.6 per cent and lost 20.5 per cent of their attendance. The number of the children's homes—which developed during the Revolution—was reduced by more than one-third, viz. 34.8 per cent and they lost more than one-fifth of their attendance, viz. 22.9 per cent.

The system of elementary schools grew constantly; their general increase in absolute figures was far above the increase of other schools, almost entirely making up for the decrease in the number of establishments of all other types of general education. Parallel with this went an increase in the number of pupils in the elementary schools. While the increase of the schools was 5.3 per cent, the increase of the number of pupils amounted to 6.3 per cent.

Somewhat different is the situation as regards schools of other categories. Thus the Seven-Year schools show a total decrease of 4 per cent, a decrease that occurred exclusively in the Ukraine, while the number of pupils in these schools increased considerably, viz. 13.4 per cent. The pure type of secondary schools begins gradually to give way to the combined type of Nine-Year schools whose popularity is growing. Thus, while the number of secondary schools diminished by 16.9 per cent with an accompanying decrease of 3 per cent in the number of pupils, the Nine-Year schools increased numerically more than one-fourth (29.2 per cent) and the number of their pupils increased by more than half, viz. 51.1 per cent.

Finally there was a considerable increase in those establishments in which the subjects are mainly taught by the experimental and object lesson system, such as the school-communes, school-colonies, etc. These institutions increased numerically almost by half (47.4 per cent) and their attendance increased still more, namely by 79.9 per cent.

In 1924 the existing schools could satisfy 46 per cent of the requirements of general four-year school training in Soviet Russia proper—an increase of 4 per cent over the preceding year. Thus the present school system can supply somewhat less than half of the number of places necessary for all children of school age, under a compulsory requirement of four-years' attendance. In the various districts of the Republic this percentage fluctuates considerably, from 9 per cent in Turkestan to 76.1 per cent in the Moscow industrial district. In general three districts are above the average, namely Moscow (76.1 per cent), the Leningrad Region (71.8 per cent), and the Central-Agricultural district (50.4 per cent). The present situation of the school system presents quite a varied picture. On one hand there is Siberia with a 16 per cent increase, and on the other hand there is the Volga district where the famine has resulted in a great impairment of the school system.

Vocational Training

The past year's showing for vocational training is still better than for general schools. The increase of the number of institutions and attendance in all types of vocational schools was quite considerable. As can be seen from the table below, the increase of all such institutions throughout the U. S. S. R., amounted to 9.7 per cent, while the attendance increased 18.5 per cent.

Establishments for Vocational Training

	January 1, 1923		January 1, 1924		Percentage of increase (+) or decrease (—) compared with 1923	
	Establishments	Attendance	Establishments	Attendance		
Soviet Russia proper:	2,822	415,474	3,064	484,166	+ 8.6	+16.5
European part.....	2,604	381,965	2,748	445,773	+ 5.5	+16.7
Siberia	159	24,799	238	28,769	+49.7	+16.0
Turkestan	59	8,710	78	9,824	+32.2	+10.5
Ukraine	837	106,017	947	122,260	+11.7	+15.3
White Russia.....	36	6,945	44	9,790	+22.2	+41.0
All over the U. S. S. R.....	3,695	528,436	4,055	616,216	+ 9.7	+18.5

The rate of increase in the R. S. F. S. R. (Soviet Russia proper) and in the Ukraine is more or less of the same intensity. In the former the numerical increase of institutions is 8.6 per cent, and that of the pupils 16.5 per cent; in the latter the numerical increase of the institutions is 11.7 per cent and that of the pupils 15.3 per cent. The greater increase of the figures in White Russia is due to the increase of its territory.

In the different districts of the R. S. F. S. R. considerable fluctuation may be noticed. The

more backward Siberia and Turkestan developed their school systems more energetically than the European part. In the former the number of educational institutions shows an increase of 49.7 per cent and in the latter 32 per cent. The increase of the number of pupils was the same as in the rest of the R. S. F. S. R., namely, 15.5 to 16.0 per cent.

The change which took place in the principal categories of the institutions for vocational training is shown by the following table:

	1923		1924		Percentage of increase (+) or decrease as compared with 1923	
	Establishments	Attendance	Establishments	Attendance		
Higher Educational Establishments..	276	216,745	179	199,191	-35.1	- 8.1
Workers' Colleges.....	103	36,926	126	42,041	+22.3	+13.9
Technical Schools.....	830	105,585	698	119,454	-15.9	+13.1
Trade Schools, Courses, etc.....	2,486	169,180	3,052	255,530	+22.8	+51.0
Total	3,695	528,436	4,055	616,216	+ 9.7	+16.6

There is decided progress in vocational mass training. The number of the trade schools of all types and the courses increased more than one-fifth (22.8 per cent) and the number of pupils increased by more than one-half (51 per cent). The increase in this class has determined the character of the general growth above indicated.

During the period considered the higher educational establishments showed a considerable decrease. As against 276 higher educational institutions in 1923 the number of such establishments in 1924 was 179—a decrease of over one-third (35.1 per cent).

Many of the former higher educational establishments became technical schools; but instead of increasing the number of establishments

of this class decreased by 15.9 per cent, while at the same time the attendance increased by 13.1 per cent. It is obvious that at the same time many of those technical schools were given up to be transformed into trade schools. The attendance at the remaining technical schools increased by the number of students from those higher educational institutions which were given up.

During this period the number of workers' colleges increased continuously to quite a considerable extent, namely by more than one-fifth (22.3), while the attendance increased by 13.9 per cent.

The second and final instalment of this article, dealing with the educational activities among the adults, will appear in the next issue of the Russian Review.

Foreign Relations of the U. S. S. R.

IN answer to the Soviet Government's note of April 2 of this year concerning the murder of the exchange prisoners Baginski and Wiczorkiewicz the Polish Embassy sent the following note to the Soviet Government, dated April 6:

"The Polish Government expresses its regret that by reason of an event independent of its will the exchange of individuals arranged by agreement between the Polish Government and the Soviet Government did not materialize.

"The Polish Government also regards as regrettable the fact that certain extremely unwarrantable accusations in connection with this incident were expressed on the part of the Soviet Government.

"Taking into account the fact that the establishment of the responsibility and of the measure of punishment for the slaying of Baginski and Wiczorkiewicz is an internal question of the Polish nation, the Polish Government does not consider it possible to prolong its correspondence with the Soviet Government on this question."

Tchitcherin's Note to the Polish Envoy

On April 9, 1925 Mr. Tchitcherin, People's Commissar for Foreign Affairs sent the following reply to Mr. Kenczynski, Envoy Extraordinary and Minister Plenipotentiary of the Polish Republic in Moscow:

"Hereby acknowledging receipt of note No. 846/25 of April 6 of the current year, I am con-

strained to inform you that the Soviet Government cannot agree to the conclusions in the said note.

"The Soviet Government considers that by the fact of its agreement to the exchange of Messrs. Baginski and Wiczorkiewicz and to their transmission to the territory of the Union of Soviet Socialist Republics the Polish Government recognized the interest of the Soviet Government in the fate of these citizens.

"From this it manifestly follows that the Soviet Government cannot be indifferent to their fate."

Removal of Polish Consul at Minsk

In reply to the Soviet Government's note of April 1, reprinted in the May 1 issue of the *Russian Review*, the Polish Embassy in Moscow addressed a note to the Soviet Government on April 3 in which it protested against the tenor and content of the communication and argued that the accusation against the Polish Consul at Minsk, Mr. Karczewski, was not sufficient cause for voiding his exequatur in view of the fact that he granted shelter not to a common refugee but to a Polish official in possession of a diplomatic passport duly visaed by the People's Commissariat for Foreign Affairs of the Soviet Union. On the same date the Polish Embassy in Moscow sent the People's Commissariat for Foreign Affairs the following notice of Mr. Karczewski's removal:

"The Polish Embassy hereby has the honor to advise the People's Commissariat for Foreign Affairs that Mr. Jan Karczewski, Secretary of the Embassy, is recalled from his post as head of the General Consulate of the Polish Republic in Minsk and that there is appointed for the temporary fulfillment of the office of head of this consulate Mr. Adam Zelezinski, a Counselor of the Embassy, who will shortly take over its administration from Mr. Karczewski.

Reply of the Commissariat for Foreign Affairs

On April 6, the People's Commissariat for Foreign Affairs sent the following reply to the Polish Embassy:

"Acknowledging receipt of notes Nos. 835225 and 848/25 of April 3 of this year, the People's Commissariat for Foreign Affairs takes note of the advice included in note No. 848/25 of April 3 regarding the recall of Mr. Karczewski, former Consul of the Polish Republic in Minsk.

"The People's Commissariat for Foreign Affairs abides by its former point of view, set forth in note No. 139(Ch)PB, and affirms that Mr. Ussas, notwithstanding his diplomatic passport, could not be regarded as a person to whom rights of extra-territoriality attached, since he was never included on the rolls of the diplomatic corps.

"On the other hand, former Consul Karczewski by his active opposition to the legal measures of the juridical organs of the Union of Soviet Socialist Republics, as expressed in his refusal to surrender an individual accused of a criminal offense, committed a gross infraction of the usages of international law, which compelled the Soviet Government to look upon his exequatur as void and to demand the immediate departure of Mr. Karczewski from the territory of the Union of Soviet Socialist Republics.

"In bringing the above to the knowledge of the Polish Diplomatic Mission the People's Commissariat for Foreign Affairs considers the correspondence on the present matter terminated."

Latvia and the Conference of the General Staffs of the Baltic States

In answer to an inquiry by Mr. Gambarov, Charge d'Affaires of the Soviet Union in Latvia, regarding the conference being held at Riga by the general staffs of Poland, Rumania, Esthonia, Latvia, and Finland, Mr. Albat, General Secretary of the Latvian Ministry for Foreign Affairs, declared that the above-mentioned conference was not of a character hostile to the Soviet Union and pursued no aggressive aims directed either against the Soviet Union or against Germany. Mr. Albat stated that in the future Latvia would strive to strengthen her friendly relations with the Soviet Union and Germany and would not enter into any coalitions inimical to the Soviet Union and Germany.

Surrender of Northern Sakhalin

The following is the official text of the announcement published by Mr. Oboltin, the Soviet Union's representative, and General Inoye, the Japanese representative, in connection with the surrender of Northern Sakhalin to the Soviet Union:

The Plenipotentiary Representatives of the Union of Socialist Soviet Republics and of Japan hereby announce that at noon of this 4th day of April, in accordance with the agreement concluded by them, the military detachments of the Japanese expeditionary army are withdrawn from the region of Northern Sakhalin above north latitude 51 degrees 10 minutes, and that in the region in question the organs of the authority of the Union of Socialist Soviet Republics are established.

City of Alexandrovsk, April 4, 1925.

The Soviet Envoy to Japan

Mr. Victor Kopp, recently nominated Plenipotentiary Representative of the Soviet Union in Japan has arrived in Tokio where he presented his credentials to the Japanese Government.

Soviet Ambassador Dean of Diplomatic Corps at Peking

A press report from Peking under date of March 14 states that at its last meeting the diplomatic corps decided to include the Soviet Ambassador, L. M. Karakhan, within its circle. Mr. Karakhan was to be informed of this by letter.

Owing to the fact that Karakhan is an ambassador, he would occupy the position of dean of the diplomatic corps.

Diplomatic Nominations

In the course of March and April the following changes were effected in the diplomatic personnel of the U. S. S. R.:

Mr. Platon Mikhailovich Kerzhentsev was appointed Plenipotentiary Representative of the Union of S. S. R. in Italy to take the place of Mr. Konstantin Konstantinovich Yurenev.

Mr. Konstantin Konstantinovich Yurenev was named Plenipotentiary Representative of the Union of S. S. R. in Persia, replacing Mr. Boris Zakharovich Shumiatsky.

Mme. Alexandra Mikhailovna Kollontai, diplomatic and trade representative of the U. S. S. R. in Norway was relieved of her position as Trade Representative in Norway and Mr. Akim Maximovich Nikolayev was designated in her stead.

The Russian Information Bureau has received a number of copies of the **Official Report of the British Trades Union Delegation to Russia**

Cultural Life in the Soviet Union

New Literature for Children

AMONG the many problems faced by Soviet Russia after the Revolution, one of the greatest and most important was that of a new education for the young, as well as the creation of a modern basis for the bringing up of children.

In line with the new educational principles it became the chief aim of the school system to inculcate a scientific view of life in the children, to facilitate the full development of the child's individuality and to help it to become an active and conscious member of the community.

It therefore became necessary to undertake a complete revision of all the existing literature for children, as well as to create a new literature along these lines. The Section for Juvenile Literature of the State Publishing House was created toward the end of 1923 for this purpose. First a number of representatives of higher pedagogical institutions was charged with this work (People's Commissariat for Education, Moscow Education Department, Institute for Juvenile Literature, etc.), as well as a number of writers, educators, and workers in juvenile libraries. New publications in the field of children's books, as well as manuscripts of such, received from the authors were submitted to them to be judged. Gatherings of reviewers were held, in which judgments and decisions were pronounced concerning the publication of new books.

The next step toward the creation of a new juvenile literature was the reading aloud of these manuscripts to an audience of children of the age required in each specific case. Educators and librarians read the books in their respective schools, kindergartens, children's literary circles, and subsequently transmitted to the Education Department the views of the children, as well as a report of the children's reactions to various passages in the manuscripts, and also to the manuscript as a whole. As the work went on, two commissions were created to encourage the production of a new juvenile literature: the first of these commissions is concerned with the books for children of pre-school age, while the second considers the needs of the older children. The commission includes the best writers for children, those who are trying to meet the demands of the present day, artists who have specialized in the illustration of children's books, teachers and librarians. Each of the commissions meets twice a week. At these sessions a manuscript is usually read which has already been submitted to the critics and to the young readers, and which is furthermore considered to be in some way typical. A general discussion of the manuscripts follows, which aids in the fixing of definite principles that have already been

elaborated during the year in which the commissions have been at work, and have been used as guiding lines in the selection of new books to be published.

The following subjects were considered during the past year by the Commission for Pre-School Children's Books:

1. The study of the work of the women in charge of kindergartens, touching upon various phases of the life, the work and the play of the children in the various establishments of this kind. It was found extremely desirable to continue and develop this work still further, in which connection three of the books of the American educational writer Lucy Sprague Mitchel were published, as well as a collection of notes made by the women teaching in the Tver kindergartens.

2. *Books on Productive Industry.*—It was considered necessary to initiate the children not only in the subject of those kinds of work which they are able to perform, but also in the work of grown-ups, in which children are very often interested showing them the most characteristic features of each branch. Among publications of this kind books on table crockery, transportation, newspapers and the locomotive, may be mentioned. Books on the postal system, rubber shoes, and on various trades, are in course of publication.

3. *Biological Books.*—In the case of books on animals, plants, the evolution of man, etc., it was considered imperative to deviate in no degree from the scientific facts. The material to be used in such books is to consist of phenomena and objects from the daily life of the children, in this way encouraging the children to engage in their own observations and studies. Young scholars, biologists, have been placed in charge of this task. A book is about to appear, with the approval of the commission, on the metamorphoses of insects, and another on poultry.

4. *Books on the Revolution.*—Insofar as the children are growing up in the atmosphere of revolutionary celebrations and parades, and are looking daily at the portraits of revolutionary leaders, etc., the revolutionary reality is one of the earliest experiences of Russian children of the present day. Steps were taken to give the children books concerning revolutionary holidays, Lenin, the "Pioneer Movement" etc.

There is about to appear an album entitled "On Lenin — For Children" which will contain a large number of pictures dealing with the life of the workers and peasants under the Tsarist regime, with the life and struggles of Lenin, with the World-War period, as well as with the Russian Revolution, all appropriately annotated in the text.

5. *Hygienic Instruction and Physical Culture.*—A number of books in this field are in course of preparation.

The work of the Commission has been further extended recently by inviting the participation of an organized circle of women in charge of Moscow kindergartens, for the purpose of consultation on a number of questions connected with juvenile literature. This circle has drawn up a program for the publication of works of juvenile literature which are to be in accord with the requirements of the present day.

A portion of this program has already been carried out. Books now being printed concerning the "Young Pioneers" and the Red Army are in every way suited to the uses of children of pre-school age.

Writers and artists who are desirous of specializing in the field of juvenile literature are eagerly participating in the work of the circle.

Passing on to the literature for the older children, it is of course necessary to take into account the far more extensive circle of interests characteristic of this older group. The sessions of the commission have thus far approved the publication of books in the following fields;

1. *Books on Production.*—As distinguished from textbooks and books of a popular scientific character, the description of the various trades and industries is here to be combined with a tale, a narration of some plot. A book on the origin and evolution of the book (from the earliest times) has been approved and published. A book (in verse) on the printing of modern books is being prepared. Another book in verse has been approved dealing with the tractor and its importance for Russian agriculture. Authors were recommended to treat subjects from all the fields of the national economic life.

2. *Books Dealing with the Past.*—The commission has resolved that the historical literature prepared for the consumption of the older children must present to their minds in a popular way the labors and struggles of past generations, without indulging in too many details. Special attention is to be given to Russian history and to the circumstances which brought about the Revolution. A comparison between the present and the most recent past is to be made possible, and the children are to be encouraged to combat such remnants of the old system as are still in existence. A number of books of this kind have already appeared; others are in course of preparation.

3. *The New Social Life.*—This subject is being taken up along very broad lines, and includes the new life of the children in city and country, the schools, the childrens homes, etc.

A number of publications have already been examined and some have already come from the press.

4. *The Civil War.*—Books dealing with this subject fully satisfy the natural appetite of the older children for stories of action and adventure. The commission has made it a principle, in this connection, that both brutality and sentimentality must be shunned in equal degree, while the goals and objects of the struggle must be emphasized. A number of such books are now going through the presses, some of them dealing with the share of the children in these struggles, others dealing only with the actions of their elders.

5. *The "Pioneer Movement."*—The powerful movement of the "Young Pioneers" among the children, which is growing year by year, cannot fail to find its expression in juvenile literature. It has been shown in many instances that children show the greatest enthusiasm and affection for stories and poems dealing with life among the "Pioneers." Two or three books dealing with this subject have been published; further books are in course of publication.

6. *Foreign Countries.*—Children of school age are often more interested in that which is remote than in their immediate surroundings. But mere narrations of travel are not enough to satisfy this hunger. Stories, short novels taken from the daily life of other countries will soon be made available. The commission recently approved a very good book dealing with the lives of the African natives (about to appear). A number of books are being translated from foreign languages. It is also confidently hoped that foreign writers will submit their manuscripts, in so far as they may be available for the use of the Russian children of the present day.

7. *Struggle against Superstition.*—Books of this type are intended primarily for the children of the villages and are to be published in a perfect artistic form. A number of books of this kind have already appeared.

In the discussion of all these and other questions, certain general principles to be followed in the creation of a new juvenile literature have already taken shape, for example: (a) There is to be no mysticism; all the happenings of this world are from natural causes; (b) The collective consciousness must take precedence of the individual consciousness; (c) Dynamic and dramatic plots are of the greatest importance, but their use must not be carried too far; they must in some cases (particularly for the village children) be varied with epic narrations of a calmer type; (d) The style is to be simple, devoid of all adornments and obscurities.

About the middle of January, 1925, the Commission for Preparing Books for the Uses of Children of School Age undertook laboratory work on books for children of school age, similar to that undertaken by the Pre-School Commission. A circle of pedagogues is being formed who work over the books and manuscripts.

Reorganization of the Joint Information Bureau

EARLY in April 1925, on the initiative of a number of central institutions and organizations interested in scientific and cultural connections with foreign countries, the All-Russian Society for Cultural Relations with Foreign Countries was created to replace the Joint Information Bureau in Moscow.

The tasks of the Society include: connections with scientific associations, organizations, press, and individual scientific and cultural workers abroad and in the U. S. S. R. for the purpose of collaboration, mutual information, and exchange of works and materials; connections with cultural associations friendly to the U.S.S.R. or with associations for closer contact with the U. S. S. R. in various countries; collaboration in the mutual study of the culture, life and language of the peoples of the U. S. S. R. and other lands by organizing courses, clubs, schools, libraries, and also by conducting lectures, concerts, soirees, etc.; assistance in acquainting citizens of the U. S. S. R. with foreign countries and foreigners within the U. S. S. R. in the realm of science, culture, technical arts, etc. by organizing suitable excursions.

In addition to the objects enumerated above the Society has the following tasks: the organization of an information bureau for foreigners coming in order to acquaint themselves with the scientific and cultural life of the U. S. S. R. in the principal centers of the Union; cooperation in trips by learned men of the U. S. S. R. to international and national congresses and conferences; visits by foreign savants to the U. S. S. R. with the same aim; collection of information concerning scientific congresses and conferences abroad and in the U. S. S. R.; collaboration in the exchange of professors, lecturers, and students between the scientific, educational and cultural institutions and organizations of the U. S. S. R. and those of foreign countries; cooperation in the organization of art exhibits and artistic competitions abroad and in the U. S. S. R.; the publication of periodical bulletins on subjects of culture, science and life in the U. S. S. R. and abroad; publishing and assisting to publish in the U. S. S. R. and abroad guides and information books covering the various Soviet Republics, collections of articles and monographs on the different branches of the scientific and cultural life of the Union, and also newspapers or magazines for foreigners sojourning in the U. S. S. R.; the organization of a service for supplying pictorial (photographic) material to the press and interested institutions abroad and in the U.S.S.R.; the organization of a foreign press clipping bureau to serve interested institutions, organizations, and individual scientific workers.

Departments and institutions of the U. S. S. R. interested in cultural and scientific contact with foreign countries, as well as scientific organizations, are eligible to membership.

Progress of Soviet Armenia

SOVIET Armenia is making remarkable progress in prosperity and production, according to reports of the Fourth All-Armenian Congress of Soviets held at Erivan during March.

Four years ago, as the result of the Denikin invasions and of the Armenian-Turkish war which ended when Soviet troops entered Russian Armenia, the country was paralyzed, the greater part of its farm acreage was uncultivated and the flocks and herds were reduced to one third. As an autonomous Republic in the Soviet Union, the country has developed far beyond expectations. Last year the sown area was 772,300 acres, an increase of 28 per cent over the previous year and 90 per cent of the pre-war area, and this spring the flocks and herds were close to the pre-war volume.

The cotton growing industry, which was completely destroyed, is rapidly reviving. Last year the land under cotton was 43,000 acres, having quadrupled in two years. During the year the foundations were laid for an agricultural bank and for agricultural cooperatives. In January 1924 there were but thirteen agricultural cooperative establishments; today the cooperatives embrace over 10,000 farms.

The Armenians are carrying out an ambitious program of irrigation development. During the past year the Shirak Canal was opened, furnishing irrigation for 40,500 acres, and during the present year it is planned to utilize the Aras River for the irrigation of an additional 22,000 acres.

The copper mines at Katara have been reopened with the aid of an appropriation from the Government of the Soviet Union, and 1,500 workers are employed. The textile industry is being reorganized and extended, large soap-making works are projected, and two substantial electric power stations are being built at Erivan and Leninakan.

Before the war illiteracy was general throughout Soviet Armenia. There were only 250 schools in the entire State. Under their own State Government the Armenians have tackled this problem with great vigor and this year there are 2,344 schools carried on the State budget.

PAMPHLETS

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Miscellaneous News

Crop Prospects in the U. S. S. R.

First reports on Russian crop prospects for this year show a sown area of 212,167,000 acres, 80.1 per cent of the 1913 acreage and 4 per cent above last year. Of this winter sowings covered 78,655,000 acres, and spring sowings covered 133,512,000 acres. Four thousand tractors, mostly of American manufacture, were used in the ploughing this spring.

Early spring weather was reported favorable, especially in the black earth districts.

The condition of the winter grain crops, about which much apprehension was felt owing to the scanty snow-fall, is apparently much better than was expected, according to early spring reports. The winter crops are reported above the average in the northern districts and below the average only in the central region of Russia, around Tambov. Throughout most of the Ukraine prospects for average winter crops are reported.

In the districts which suffered from crop-failure last year the Government and local authorities expended 84,000,000 gold rubles (\$43,200,000) for agricultural aid. Of this 39,000,000 rubles was spent for seed and 45,000,000 rubles for monetary relief.

Statistics presented by the Trade and Industrial Gazette of Moscow, for April 8, indicate that there is now enough grain in the Soviet Union to cover consumption needs until the next harvest, but there is no surplus. "Under these circumstances," says the Gazette, "imports are necessary as a safeguard and as a means of combatting speculation. There is, of course, no ground for speaking of any absolute shortage of grain."

Moscow Soviet Elections

The Moscow Soviet elections ending on April 6 recorded a large increase in the proportion of voters participating. The total vote in Moscow was 617,000 constituting 65.6 per cent of the entire electorate. Among the various groups of the population a particularly good showing was made by the students with 81.7 per cent of their voters casting a ballot. Next in order stood the soldiers with 77.4 per cent, followed by the organized workers with 73.2 per cent. The percentage of voters taking part in 1922 was only 36 and in 1923 the ratio rose but slightly to 39 per cent, so that the advance accomplished this year is a very notable one.

The composition of the new Soviet displays noteworthy changes. In the first place, there is a striking increase of women members to 19.2 per cent, as against 6.6 per cent last year. It is also significant that as a result of the Government's efforts to attract more non-party members

into public life, 30 per cent of the candidates elected to the new body are of this category, as compared with only 9.3 per cent in 1922 and 12.3 per cent in 1923. The great majority, 73 per cent, of the new members have been elected for the first time. Of those reelected 12 per cent are serving their second term and only 2.6 per cent a third term. Most of the members are workers, 61.1 per cent coming from office or factory.

Ex-Patriarch Tikhon's Last Statement

The appeal addressed to the members of the Russian Orthodox Church by Patriarch Tikhon on the day of his death, April 7, is a refutation of all attacks directed against the Soviet Government for alleged religious persecution. The appeal opens thus:

"In the years of great civil upheaval, by the will of God, without which nothing happens in this world, the Soviet power rose to the leadership of the Russian nation and took upon itself the heavy duty of repairing the fearful consequences of bloody war and terrible famine.

"During January of the year 1918 in entering upon the government of the Russian nation the representatives of the Soviet regime promulgated a decree covering the full freedom of citizens to believe as they desired and to live in accordance with their faith. Thus the principle of the freedom of conscience proclaimed by the Constitution of the Union of Soviet Socialist Republics guarantees to every religious body, including also our Orthodox Church, the right and the opportunity of existing and carrying on its religious affairs according to the requirements of its creed, insofar as this does not trespass upon the social order and the rights of other citizens. And therefore, in epistles to the archpriests and priests and to their flocks throughout the nation we recognized the new order of things and the rule of the workers and peasants as a Government which we sincerely welcomed."

Calling upon all members of his church to join with him in fervent prayers for the bestowal of divine aid upon the regime of the workers and peasants in its endeavors for the general welfare of the people, he bids them, and particularly the executive church organs, "to restrain the evil-disposed from intentions of hostile activities against the Government, to harbor no hopes for the restoration of the monarchy, and to rest assured that the Soviet regime is truly a people's Government of Workers and Peasants and, therefore, staunch and unshakable." The statement continues:

"We have noted with the greatest sorrow that some sons of Russia, including priests, have left the Fatherland for various reasons and pursue activities abroad . . . harmful to our Church. Using our name and our Church authority, they pursue abroad harmful counter-revolutionary activities. We declare categorically, we have no connection with them . . . and condemn their harmful activities . . . and we call upon all priests and archpriests abroad to sever their political connection with the enemies of our people."

In conclusion Tikhon affirms that by the honest endeavor of its sons the Orthodox Church can work in peace within the Soviet Union.

Radio in the Soviet Union

The radio craze has gripped the entire city population of the Soviet Union and is beginning to spread to the rural districts. The demand for receiving sets far surpasses the supply. Six thousand workingmen's clubs and 12,000 provincial reading rooms are being equipped with loud speakers.

The principal types of broadcasting are the radio newspapers and the radio concert.

The radio newspapers are broadcast in two editions, the afternoon edition, at 12:25 P. M., and the evening edition at 7:55 P. M. The first edition is timed to coincide with the midday stoppage at factories and mills, and the workers gather about the loud speakers at public eating places to get the news of the day. The evening edition contains all the departments of printed newspapers, including news, special articles, short stories and literary, musical, dramatic and moving picture reviews.

In the near future a children's radio newspaper will be broadcast, and the leading pedagogical experts in the Soviet Union will be asked to participate.

The radio concerts include cycle concerts by eminent composers, with explanatory lectures. More attention is devoted to classical works than to jazz.

Lectures on scientific and technical subjects are sent, and special attention is given to agricultural instruction for the peasants.

The Commissariat of Posts and Telegraphs which has about fifty radio transmitting stations, is developing the educational features of the radio programs. An All-Russian Congress of Radio Fans will be held in the near future.

Central Inter-Cooperative Council Formed

The central cooperative organizations recently agreed to establish a permanent advisory body in the near future to be known as the Central Inter-Cooperative Council.

It will be the function of this Council to consider the organizational, economic and social problems common to cooperative associations in general, to standardize the financial and business practices of all cooperatives, to bring about proper interconnections between the various types of cooperative activity and also between the cooperative movement as a whole and the State organs, to provide for mutual information, and to investigate conflicts and misunderstandings that may arise among cooperative organizations.

It will also be the duty of the Central Inter-Cooperative Council to represent and defend the interests of all cooperative enterprises before Government institutions and other public bodies. In addition the Council will endeavor to establish contact with the local inter-cooperative councils which

are to be formed, and will arrange conferences on questions affecting cooperative undertakings in general.

The "Centrosoyuz" (Central Union of Consumers' Cooperatives), the "Selskosoyuz" (Central Union of Agricultural Cooperatives), the "Vseko-promsoyuz" (All-Russian Union of Industrial Cooperatives), and the "Vsekokbank" (All-Russian Cooperative Bank) will each send two delegates to the Central Inter-Cooperative Council, while the Central Workers' Section, the Transport Section, the Cooperative Insurance Union, the Central Union of Butter Cooperatives, the Central Union of Flax Cooperatives, the "Vsekoles" (All-Russian Union of Timber Cooperatives), the Central Union of Fruit and Grape Growers, the Central Cooperative Publishing Office, the All-Russian Producers' and Consumers' Cooperative Union of Invalids, the Central Housing Cooperative Society, the Central Union of Cooperative Potato Growers, the All-Russian Fishermen's Union, the Central Union of Cooperative Trappers and Hunters, and other central cooperative unions that may arise will each send one delegate.

The Central Inter-Cooperative Council will meet periodically, but not less than once every two months. It may appoint special committees to investigate specific questions, arrange the agenda for the Council meetings, etc.

Timber Cooperatives

On February 1, 1925, the "Vsekoles" (All-Russian Union of Timber Cooperatives) embraced 64 federations of cooperatives with 1,297 "artels" (independent unions of laborers working collectively and sharing the profits) and a total individual membership of 70,000.

Soviet-Brazil Steamship Line

In order to augment communications with the Mediterranean and Black Sea ports the Brazilian steamship company, Lloyd Braziliero, has decided to establish a fortnightly service between Santos and Odessa with stops at Rio de Janeiro, San Vincenzo, Alexandria, Smyrna, Saloniki, Constantinople, Galatz, and Brailov.

White-Guards Repent

According to a press despatch from Peking under date of March 30, the Cossacks on board the military transport "Mongugai," who, led by the former Ataman Anisimov, had rebelled a short time before against their White-Guard commander Glebov, addressed a declaration to the Soviet Consulate in Shanghai petitioning for pardon and repatriation. The document bore 74 signatures.

The "Mongugai" was handed over to the Soviet authorities in Shanghai. After the formal ceremonies of the transfer the Soviet flag was raised over the vessel in the presence of Soviet representatives.

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The Merchant Marine of the Soviet Union

THE Soviet Union's merchant marine was nationalized over seven years ago, in February 1918, but effectual nationalization did not begin until 1920, when the coasts of the White Sea, the Caspian Sea, the Black Sea, and the Sea of Azov came definitely under Soviet control.

The year 1920 also marked the restoration of sea communications with various regions. During this year the northern sea route between Siberia and England was inaugurated, and the trading expedition that made the first voyage obtained grain at the estuaries of the Obi and Yenesei Rivers, for distribution in Northern Russia, as well as part of the large surplus stocks of raw materials that had accumulated in that territory, for export abroad.

Operations first began to take a definite turn for the better in 1921. Regional departments of marine transportation were formed, and it was their first task to draw up an inventory of the vessels in the merchant fleet. By January 1, 1922, the lists had been completed and a register of the merchant fleet was published. Vessels began to be repaired in the various shipping centers, plans, programs and schedules were elaborated, and the mercantile fleet started to function systematically as far as possible. As a result of the practical lifting of the blockade the custom houses also began to function, and their statistical records rendered it possible to keep track of the activities of the merchant fleet. The Baltic fleet was the first to be roused to renewed activity, sending its steamers to the Leningrad shipyards for repairs preparatory to putting them into operation. Soon afterwards the Far-Northern waters, the Caspian Sea, the Black Sea, and the Sea of Azov also began to show signs of regular activity. The crop failure of 1921 occasioned a sudden increase of imports, but the State mercantile fleet played only a very small part in this work. The comparative insignificance of the Soviet merchant fleet led to the organization of mixed foreign-Russian shipping companies, such as "Arcos," "Russo-Norse," "Norsk-Russik," "Derutra," and "Russ-Transit."

During the year 1922 in conjunction with the transition of the merchant fleet to a purely business footing it was realized that the operation of the vessels must be separated from the work of port administration. The State Mercantile Fleet ("Gostorgflot") was organized for this purpose in August 1922. It included the following State steamship organizations: the Northern Steamship

Agency, the Baltic Steamship Agency, the Black and Azov Sea Steamship Agency, and the Caspian Steamship Agency, as well as the Volunteer Fleet (Dobroflot), which took over the Far-Eastern merchant fleet after the Far-Eastern Republic joined the Soviet Federation.

The operations of the merchant marine showed a steady increase during 1923. The Caspian Steamship Agency was separated from the State Mercantile Fleet and transformed into a joint-stock company. Long-distance coastwise steamship routes were established with the Far East. The systematic work of the merchant fleet was strengthened. The Baltic division commenced energetic operations, increasing the role played by the State Mercantile Fleet in the country's export trade. The good harvest of 1923 resulted in an extensive grain exporting campaign, a heavy increase of exports and reduced imports with a very favorable foreign trade balance as the consequence.

In 1924 the Russian harvest was poor, so that grain exports diminished greatly, but enlarged exports of other commodities more than made up for the loss. The exportation of timber and butter and eggs showed a particularly large increase. Imports continued to decline. As compared with previous years the share of the State Mercantile Fleet in the country's foreign trade grew considerably, both proportionately and in absolute figures. Long-distance coastwise operations, particularly as regards the State Mercantile Fleet, also registered a large increase.

During 1924 the Council of Labor and Defense set up a commission for the investigation of merchant shipping and port conditions. The problem of reconstructing the merchant fleet was discussed in the highest Soviet bodies. One of the first results of this was the placing of a contract with Soviet shipyards for the construction of four steamers for the timber trade and two fast oil-burning vessels for the transportation of highly perishable freight. At the same time the reconstruction of three cruisers into oil tankers was started. The shipbuilding yards, the basis for the reconstruction of the fleet, began to display renewed activity.

Finally, the year 1925 opened with the organization of the Unified Soviet Merchant Marine; the keels of the ships already ordered were laid down, and a detailed shipbuilding program was elaborated.

The Soviet Union's merchant marine includes 272 steamers and oil-burners, 365 sailing ships, and 925 auxiliary craft, making a grand total of 1,562 vessels.

The following table shows the number of steamers and oil-burners belonging to the various operating organizations:

	Number of Vessels	Freight Capacity in Tons
State Merchant Fleet.....	122	180,006
Caspian Steamship Company.	139	157,730
Volunteer Fleet.....	10	22,280
State Bodies.....	1	2,000
Private Persons	—	—
Total	272	322,016

Of the vessels in the State Merchant Fleet 27 per cent have been in service less than 5 years, 23 per cent between 5 and 10 years, 14 per cent between 10 and 15 years, 12 per cent between 15 and 20 years, 10 per cent between 20 and 25 years, and 14 per cent over 25 years.

The vessels of the sailing and auxiliary fleets are distributed as follows among the various organizations:

	Sailing Fleet Number of Vessels	Freight Capacity in Tons	Auxiliary Fleet Number of Vessels
State Merchant Fleet.....	53	15,897	290
Caspian Steamship Co....	42	15,920	198
Volunteer Fleet	—	—	—
State Bodies	26	3,089	10
Private Persons.....	244	49,320	432
Total	365	84,226	925

The following figures show the total cargo annually handled by the Soviet merchant marine from 1921 to 1924:

Year	Total Cargo in Tons
1921	4,215,700
1922	6,005,600
1923	8,741,800
1924 (10 months).....	8,787,500

The Soviet Union's Sea Ports

DURING the current fiscal year the mechanical loading and unloading equipment at the port of Odessa has been improved, the port railway system has been put into good order and extended, the harbor channel has been deepened, the damage caused by storms has been remedied, and the warehouses have been repaired. The improvements effected in the port's railroad facilities have raised the maximum handling capacity up to 450 cars with room for expansion to 600 cars.

A very important achievement is the construction of two new grain elevators with an individual capacity of 400,000 poods. These elevators will reduce the cost of loading grain 3 kopeks a pood.

Steamers will now be loaded in not more than 60 hours, which will result in a considerable reduction of overhead export expenses. A stationary transshipper, imported from England, with a capacity of 12,000 poods per hour will result in a loading economy of 2 kopeks per pood.

The termination of the harbor dredging operations gives the port of Odessa 17 mooring blocks with a navigation depth of 30 feet.

The improvements carried out make it possible for the port of Odessa to handle 180,000,000 poods of cargo annually. The port's freight traffic has grown continuously during the past four years, rising from 1,493,000 poods in 1921 to 27,658,000 poods for the fiscal year 1923-24.

Activity of Vladivostok Port in 1923-24

During the fiscal year extending from October 1, 1923 to October 1, 1924, the total number of vessels that called at the port of Vladivostok was 163, distributed as follows according to nationality: Russian 31, Japanese 110, British 11, German 3, Chinese 3, Dutch 1, Danish 1, Italian 1, Norwegian 1, and Swedish 1.

The steamers putting in at the port of Vladivostok during the fiscal year in question had an aggregate freight capacity of 201,408 tons. They delivered import cargoes amounting to 7,892,700 poods and took out export shipments totaling 49,253,000 poods, making a total turnover of 57,145,700 poods and a favorable balance of 42,460,300 poods.

Despite the competition of the port of Dairen, Vladivostok recorded higher transit traffic figures for 1923-24 than for the preceding fiscal year. An examination of the monthly figures covering transit freight movements shows that they were highest during the period extending from December to April, which is the regular season for transit traffic. During the fiscal year in question 37,073,600 poods of transit cargoes from Manchuria passed through the port of Vladivostok.

P A M P H L E T S

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5. The Patent Law of the U. S. S. R.—15c.

The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

Electric Trolleys in the U.S.S.R.

BEFORE the war within the present limits of the Soviet Union there were 35 cities with electric street railway systems. The World War had a disastrous effect on the status of the trolley lines, particularly in the country's large urban centers.

The civil war intensified the disruption of the electric street railroad business. Of the 35 enterprises in existence before the war 15, or 43 per cent of the total had discontinued operations altogether by the year 1919-20, while 8 (23 per cent) of them ran during only 4 months of the year, and only 12 (34 per cent) functioned all the year round, engaging chiefly in transporting freight and in carrying workers and clerks free of charge. Especially hard hit were the tramways in the civil war front regions, such as Yaroslav, Kiev, Samara, Saratov, etc.

The termination of the civil war and the introduction of the new economic policy rapidly put the electric street railway business back on the road to recovery. The following table, showing the number of operating lines and the passengers carried in 1920 and 1924 as compared with pre-war times, clearly illustrates the process of recuperation:

Years	Number of Enterprises in Operation		Number of Passengers Carried by 26 Enterprises	
	Total	Percentage of Pre-War Total	Total	Percentage of Pre-War Total
Pre-war	35	100	915,000,000	100
1920	20	57	306,000,000	33
1924	38	109	648,000,000	71

In 1924 the number of enterprises in operation even exceeds the pre-war number, as during this year within the course of a short time three new lines are built and opened to traffic in Baku, Bogorodsk, and Staraya Russa.

Thus in 1924 there were electric street railway enterprises in 38 cities, distributed as follows: 22 in Soviet Russia proper, 9 in the Ukrainian Soviet Republic, 3 in the Crimean Republic, and some other Republics had one each of the remaining lines.

Of the above enterprises only two (in the cities of Kremenchug and Vladikavkaz) have not resumed operations.

Concurrently with the restoration of the trolley lines there is an increase from year to year in the volume of traffic. The budgets of almost all the enterprises show some excess of revenues over expenditures.

The growth of passenger traffic made it necessary not only to speed up the work of restoring the existing equipment, but also of enlarging the rolling stock by means of new orders. According

to the latest data 385 motor trolleys and trailers have been ordered from the Soviet carbuilding trusts and 300 sets of motors and electric equipment have been ordered from electrical plants. The total requirements of new cars amount to 1,000 units (600 motor cars and 400 trailers).

The total length of the urban trolley lines in the Soviet Union during the past two fiscal years as compared with the pre-war year 1913 is given by the following table:

Years	Total Length of Urban Tramways in Kilometers
1913	362
1922-23	309
1923-24	356

During the calendar year 1925 the aggregate length of the trolley lines will be increased by 21 kilometers.

Electrification of Transportation System

The plan for the electrification of the Soviet Union's transportation system calls first for the electrification of the suburban and mountain sections of the railroads, then for the electrification of entire lines, and finally for the creation of electric railroad trunk lines adapted to the traction of heavy trains of up to 7,000 tons, in strict conformity to the growth of the country's industrial life and the freight turnover.

In accordance with this scheme the work of electrification has already been initiated during the fiscal year 1924-25 on the following lines: the Suram mountain pass section of the Transcaucasian railroads, the Moscow suburban traffic on the Northern Railroads up to Pushkino and Shchelkovo and on the Moscow-Kazan line up to Ramenskoye—a total of 156 kilometers. In addition to this the unfinished Oranienbaum Electric Railroad in Leningrad is being restored to good order and completed.

After this the following are next in order for electrification: the Mineralniye Vody line of the North Caucasus Railroads, the Sestroretsk line in Leningrad, as well as the suburban section of the White Russian-Baltic Railroad (Moscow), the Moscow-Kursk Railroad, and the Nizhni-Novgorod Railroad—a total of 175 kilometers.

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Electrical Industry in 1924-25

THE following table shows the value of the manufactured articles turned out by the Soviet Union's electrical industries during recent years as compared with 1914 (according to pre-war prices):

Years	Gold Rubles At Pre-War Prices	Percentage of 1914 Total
1914	62,817,000	100
1921-22	14,948,000	23.8
1922-23	25,577,000	40.7
1923-24	33,766,000	53.8
1924-25 (Program)	66,139,000	105.3

In connection with the increase proposed for 1924-25 it is significant to note that according to data available in March the electrical factories already had orders on hand for almost the entire amount of the program. The "Elmasitrust" (Electric Machinery Trust), for instance, with a production program of 26,000,000 gold rubles, had received orders aggregating 20,000,000 gold rubles by January 1, 1925.

Despite the fact that production for the current fiscal year will be on a pre-war scale, the Soviet Union's electric plants will be run at only 80 per cent of maximum capacity. This demonstrates that the industry has been greatly expanded during Soviet control, especially in the course of the past three years. The most important plants in Moscow, Leningrad, and Kharkov have been enlarged. The "Svetlana" Electric Lamp factory in Leningrad has been entirely reconstructed and the gas plant connected with it built anew. In addition a new electric lamp factory has been constructed in Moscow. Both of these lamp factories have been equipped with the most modern machinery, insofar as it was possible to procure it from Western Europe and America. New equipment has been installed in plants manufacturing insulating materials, and a new factory for the production of insulating varnishes has been put up in Kharkov.

This material expansion has been accompanied by marked technical progress. Laboratories have been installed and the foremost scientists, technicians, and electrical builders have been attracted to their work. The Low Current Trust has set up a large radio laboratory in which men of worldwide fame are engaged. Thanks to this experimental work it has become possible for Soviet plants to begin the construction of powerful generators up to 7,500 kilowatts in capacity, high voltage cables and transformers, high voltage insulators, central station telephone switchboards, various types of radio tubes, etc., none of these articles having been produced by the electrical industry of Tsarist Russia.

The Soviet Union's electrical industry includes 31 plants, of which 26 are in operation, while 5 are held in reserve. These establishments are controlled by four trusts: (1) Electrical Trust of the

Central Region, (2) Electric Machine Construction Trust ("Elmasitrust"), (3) Trust of the Low Voltage Industry, and (4) Storage Battery Trust. The first two of these trusts produce all the apparatus employing high currents, and the character of the other two is apparent from their titles. Besides there are two plants operating independently. One of these is the "Carbolite" Factory and the other is the Radio Apparatus Factory.

In 1922-23 the combined capital stock of the four trusts above-mentioned amounted to 36,800,000 gold rubles and their aggregate working capital to 55,000,000 gold rubles. In 1923-24 these figures increased to 40,000,000 and 99,000,000 gold rubles respectively.

The number of workers employed in the Soviet Union's electrical industry was 8,681 on October 1, 1922, 14,434 on October 1, 1923, and averaged 15,865 during the fiscal year 1923-24. As compared with October, 1923, the labor force during 1923-24 increased by 9.7 per cent, whereas the output rose by 38.3 per cent, so that there was a distinct advance in labor productivity.

At the beginning of the World War Russia's situation with respect to her electrical industry was extremely difficult. Almost all the plants in the country were branches of large foreign companies, such as the Allgemeine Elektrizitats-Gesellschaft (General Electric Co., of Germany), Siemens, Westinghouse, and Ericsson, and they turned out only the most current staple goods according to set designs, being in effect only branches of the basic enterprises abroad. Beginning with the war the characteristic tendency of the Russian electrical industry has been an endeavor to produce within the country itself all the electric material and equipment required. During the past two or three years this has been done to a marked extent and with ample success.

The prolonged absence of economic connections with foreign countries during the period of Soviet Russia's blockade still further stimulated the independent activity of the country's electrical industry. With the growth of electrical production the Soviet Union's dependence upon foreign firms steadily diminished. Lately the Soviet Union's electrical industry has begun to produce goods which have hitherto been the monopoly of foreign concerns. The following table illustrates the extent to which electrical imports have decreased:

Years	Percentage Relation of Electrical Imports to Domestic Production
1913	42
1921-22	54
1922-23	40
1923-24	27
1924-25 (Program).....	24

Sales of electrical goods in the Soviet Union during the past two fiscal years have been 21,000,000 gold rubles in 1922-23 and 41,000,000 gold rubles in 1923-24.

Soviet Metal Industry in 1924-25

THE production program for the metal industry during the fiscal year 1924-25 tentatively fixed at 276,216,000 pre-war rubles by the Council of Labor and Defense last November showed itself to be inadequate from all appearances by January 1925, when it was accordingly increased by 15 per cent, i.e., up to 317,648,400 pre-war rubles, by the January session of the Plenum of the Central Committee. But this enlarged program is itself turning out to be insufficient and the Supreme Council of National Economy, through the State Planning Commission, is

laying a proposal before the Council of Labor and Defense for the expansion of the program to 349,743,000 pre-war rubles, representing a total advance of 82 per cent over the output for 1923-24 and of 26 per cent over the tentative program of the Council of Labor and Defense.

The following table gives the original and revised production figures for the various branches of the metal industry for the current fiscal year as compared with the previous fiscal year (in pre-war rubles):

	Output in 1923-24	Program for 1924-25		Percentage Relation to 1923-24 Output		Percentage Relation of Revised Program to Tentative Program
		Tentative	Revised	Tentative Program	Revised Program	
Production of Iron and Steel.....	75,968,000	109,678,000	138,920,000	144	183	126
Production of Non-Ferrous Metals...	25,875,000	32,809,000	40,047,000	129	157	121
General Machine Construction.....	59,198,000	83,089,000	108,370,000	138	183	132
Shipbuilding.....	6,231,000	9,523,000	12,964,000	156	208	136
Agricultural Machinery.....	15,504,000	31,636,000	31,636,000	204	204	100
Metal Articles.....	9,475,000	10,481,000	17,806,000	111	188	170
Total	191,746,000	276,216,000	349,743,000	144	182	126

From the standpoint of market demand the program has not been overdrawn. As yet the scarcity of metal goods has not been overcome in the least, evidence of which is found in the volume of sales by the metal trusts, the extremely high margins added to prices on the retail market, and the meager dimensions of the metallurgical industry as compared with its pre-war extent.

During the first half of the current fiscal year the trusts sold 98 per cent of ferrous metals scheduled in the expanded program, 76 per cent of the non-ferrous metals, 80 per cent of the general machinery, and 56 per cent of the agricultural machinery.

The investigating expedition sent out by the Chief Metals Bureau, which covered five regions

(Kursk, Vladimir, Nizhni-Novgorod, Smolensk Provinces, and Kuban), revealed that the margins added by the local cooperatives to the prices of metal articles (iron, nails, and castings) in the retail trade ranged from 52 to 119 per cent. Such margins would be unthinkable if the market were saturated to any considerable degree.

As compared with the pre-war production within the territories of the Soviet Union, the new enlarged program recommended by the Supreme Council of National Economy is equivalent to only 28 per cent for cast-iron, 39 per cent for steel, and 36 per cent for rolled steel.

The next table illustrates the measure of program accomplishment during the first two quarters of the current fiscal year (in pre-war rubles):

	First Quarter	Second Quarter*	Percentage Ratio of Second Quarter to First Quarter	First Half of Year		Percentage of Tentative Program for Half Year	Percentage of Revised Program for Half Year
				First Half of Year	Percentage of Tentative Program for Half Year		
Production of Iron and Steel.....	30,327,000	35,300,000	116	65,627,000	120	93	
Production of Non-Ferrous Metals.....	10,562,000	12,000,000	106	22,562,000	137	113	
General Machinery.....	20,340,000	22,000,000	108	42,380,000	103	78	
Shipbuilding.....	1,853,000	2,900,000	148	4,753,000	100	73	
Metal Articles.....	3,929,000	4,400,000	112	8,329,000	159	93	
Agricultural Machinery.....	5,860,000	7,000,000	112	12,860,000	81	81	
Total	73,011,000	83,600,000	114	156,611,000	113	90	

*Figures for March included in second quarter are preliminary.

These data show that on the whole the revised program requested by the Supreme Council of National Economy is quite realizable. If the rate of increase is the same for each of the two remaining quarters as for the second quarter over the first, i.e., 14 per cent, the value of the output for the second half of the fiscal year will aggregate

204,000,000 rubles, bringing the total for the entire year up to 360,600,000 approximately, or about 11,000,000 rubles above the revised program figure.

The production of ferrous metals for the first half of the current fiscal year was as follows (in pods):

	Output in First Half of 1924-25	Percentage of Tentative Program	Percentage of Revised Program	Percentage Ratio of Sec- ond Quarter to First Quarter
	Poods			
Cast Iron.....	31,847,000	110	87	118
Steel	50,704,000	127	100	111
Rolled Steel	35,064,000	125	90	114

Cooperatives in the Soviet Union

IN a report presented to a meeting of representatives of the "Centrosoyuz" (Central Union of Consumer's Cooperatives) on March 17, Mr. Khinchuk stated that the expired fiscal year 1923-24 was a turning point in the country's entire economic life due to the transition to a stable currency and the progressive elimination of the discrepancy between the price ranges of manufactured articles and agricultural products.

The consumers' cooperative movement had greatly advanced during the elapsed fiscal period, as shown by an increase in the number of cooperatives. On October 1, 1923, there had been 16,188 rural cooperatives and 21,420 cooperative stores; on October 1, 1924, there were 20,920 cooperatives and 27,476 stores. In the urban cooperative movement there were 1,897 cooperative societies and 3,216 cooperative stores on October 1, 1923; on October 1, 1924, the city cooperatives had increased to 3,656 and the cooperative stores to 7,010. The total number of share holders on October 1, 1924, was over 7,000,000. As a result of the reorganization of the cooperative apparatus the 15 divisions of the Centrosoyuz were transformed into 6 regional unions and the 33 provincial unions in 142 district unions.

The total turnover of the central office was 194,500,000 gold rubles in 1923-24 as against 154,000,000 gold rubles in 1922-23. The turnovers of the regional cooperative unions grew from 76,000,000 gold rubles to 196,000,000 gold rubles, those of the provincial cooperative unions from 166,000,000 gold rubles to 440,000,000 gold rubles, those of the city workers' cooperative organizations from 248,000,000 gold rubles to 650,000,000 gold rubles, and those of the rural cooperatives from 139,000,000 gold rubles to 409,000,000 gold rubles. The share capital of the village cooperatives advanced from 2,000,000 gold rubles up to 8,000,000 gold rubles during the fiscal year in question, while the share capital of the city organizations rose from 3,000,000 gold rubles to 7,000,000 gold rubles.

With regard to the financial situation of the consumers' cooperatives, the capital of the Centrosoyuz has increased from 26,000,000 gold rubles on January 1, 1924, to 33,000,000 gold rubles on October 1, 1924. The ratio of the resources belonging to the "Centrosoyuz" itself as compared with the aggregate volume of resources constituted 8.2 per cent in January and 16.4 per cent in October of the year 1924. During 1924 the amount of foreign capital participating in the transactions increased three and a half times, from 2.3 per cent to 7.8 per cent.

At the same meeting a supplementary report was rendered on the Transport Section of the consumers' cooperatives. Data of September 1, 1924, showed that over 600,000 transportation workers were embraced by this division. Of these 541,440 were railway workers (70.2 per cent of all railway workers) and 59,782 were water transport workers (58.6 per cent of all in this branch of transportation).

Cooperatives in the Hunting Industry

In the Soviet Union 9,000,000 people subsist by hunting. Throughout almost half of the country's territory the existence of the population is closely connected with hunting. This is the only means of sustenance for the tribes inhabiting the northern and eastern regions of the Soviet Union.

In the non-industrial regions immense numbers of peasants obtain through hunting the funds necessary for maintaining their homesteads, besides supplying the members of their families with game meat practically throughout the year. Consequently, in the non-industrial regions hunting is a great auxiliary in the economic life of the peasantry.

The limitless expanses of the Soviet Union abound with valuable fur-bearing animals. Furs and game worth between 140 and 150 million gold rubles are procured in the Soviet Union each year.

The superior varieties of fur are more precious than gold. A pood of pure gold is worth about 21,000 rubles, while a pood of sable skins (180 skins at 125 rubles each) is worth 22,500 gold rubles. Furs are a most valuable export commodity. During the fiscal year 1923-24 the Soviet Union exported 233 million rubles' worth of grain, 52 million rubles of furs, 42 million of timber, 34 million of flax and hemp.

Before the war Germany had built up an immense intermediary trade in Russian furs at Leipzig.

Notwithstanding the great importance of hunting to the Soviet Union's population, until quite recently not even the beginnings of a centralized organization existed in this field. Only in March 1924 did the All-Russian Congress of the Hunting Population decide to create a strong cooperative organization for the hunting profession. This congress outlined the fundamental tasks of the new phase of cooperation, including the standardization of exploitation methods and the enhancement of productivity by intensified operations and the establishment of preserves and farms for raising valuable fur animals, etc.

An All-Russian Hunters' and Trappers' Cooperative Union was founded for the purpose of directing the work.

After eleven months of organizing work it is possible to report the following accomplishments: On February 1, 1925, the All-Russian Union of Hunters' and Trappers' Cooperatives included 70 cooperative bodies, of which 43 are provincial unions, 26 regional unions, and 1 territorial union, with an aggregate membership of 230,000. Connected with the bodies in question are 372 trading cooperatives and 32 *artels*.

The membership of the All-Russian Union of Hunters' and Trappers' Cooperatives is percentually derived as follows from the various classes: peasants—58.9 per cent, workers—14.6 per cent, clerks—16.2 per cent, nomads—2.5 per cent, and others—7.8 per cent.

With respect to the percentage of the total population within its sphere included in the cooperative movement, the All-Russian Union of Hunters' and Trappers' Cooperatives holds first place. It embraces 230,000 families out of an aggregate of 800,000 hunting families (or 28.7 per cent), while the "Centrosoyuz" (Central Union of Consumers' Cooperatives) comprises 7,500,000 out of 30,000,000 families, or 25 per cent, and the "Selskosoyuz" (Central Union of Agricultural Cooperatives) includes 1,500,000 out of 22,000,000 families, or 5½ per cent.

The hunting cooperatives have organized 198 preserves with a total area of 433,422 *dessiatins*. These preserves have had a favorable influence on the increase of game animals and birds.

The members of the cooperative hunters' and trappers' unions are waging a struggle against il-

legitimate hunting. This is the only organization that has been able to carry on a successful fight against the animals and birds of prey that inflict incalculable damage and destruction upon the economic life of the peasantry.

The All-Russian Union of Hunters' and Trappers' Cooperatives publishes a semi-monthly illustrated magazine called "The Hunter."

Kara Trading Expeditions

EARLY in March of this year the Planning Commission of the People's Commissariat for Foreign Trade considered a report presented by the Kara Trading Expedition on the results of operations during the navigation season of 1924. Various trading organizations, such as Arcos Limited of London, the "Centrosoyuz" (Central Union of Consumers' Cooperatives), and the "Gostorg" (State Trading Bureau), participate each year in loading a merchant fleet with commodities, principally manufactured goods, such as tools, paints and dyes, medicaments and chemicals, paper and office supplies, etc., for transportation via the northern sea route to the estuaries of the great West Siberian rivers, the Obi and the Yenissei, flowing into the Kara Sea, whence the merchandise is transshipped to river craft for distribution throughout eastern Siberia. In exchange the fleet takes back export cargoes of raw materials originating from this territory, such as flax, wool, horsehair, oil-cake, butter, etc. Much of the region thus served is not as effectively reached in any other way, so that the Kara trading expedition is a very important annual event.

The aggregate value of the manufactured commodities brought to the northwestern Siberian coast by the Kara expedition fleet is usually much greater than that of the return cargoes of raw materials. In 1924 the incoming manufactured goods included non-ferrous metals, staves, instruments, dairy equipment, tanning materials, paints, dyes, drugs and other chemical products, paper and office supplies, and provisions, with an aggregate value of 5,500,000 gold rubles. The outgoing raw material cargoes, consisting of flax fiber, horsehair, wool, raw hides, oil-cake, butter, etc., totaled 129,000 poods, besides 750 standards of timber, which was floated down the Yenissei River to the seagoing expedition vessels.

The State Trading Bureau ("Gostorg") played the leading role in the Kara trading expedition of 1924. It shipped about 50 per cent (2,700,000 gold rubles) of the manufactured goods carried by the expedition to the Kara Sea coast, and it took 93,000 poods (73 per cent of the total weight, value 1,070,000 gold rubles) of return raw material cargo, comprised of the following: flax fiber—26,000 poods, horsehair—9,000 poods, wool—18,500 poods, raw hides—12,000 poods, mammoth

bones—500 poods, oil-cake—26,000 poods, butter—1,000 poods.

The destination of the manufactured goods shipped by the State Trading Bureau to the Kara coast was as follows with respect to monetary value: 310,000 gold rubles to the Siberian territory directly east of the Ural Mountains, 305,000 gold rubles to Kirghizia in the south, and 2,090,000 gold rubles to the remainder of the Siberian territory served by the expedition.

The route traversed by shipments in either direction is long and the journey requires a considerable amount of time. During the 1924 season the manufactured commodities sent by the State Trading Bureau were en route 72 days, while the raw products sent for export via the Obi and Irtysh Rivers were on the way 61 days. The goods are transported from and to the interior of Siberia by river steamers. The cost of this interior freightage, including transfer from river craft to ocean vessels and vice versa, was as follows per pood of various commodities: flax fiber—72 kopeks, horsehair—60 kopeks, raw hides—50 kopeks, oil-cake—50 kopeks, butter—82 kopeks; imported cargo regardless of nature of commodity—1 ruble 49 kopeks per pood, the average freight expense being 73.5 kopeks per pood.

After the 1924 season the State Trading Bureau laid plans to send 4,900,000 rubles' worth of technical equipment, chemicals, drugs, and provisions with the 1925 expedition and to take back 147,000 poods of raw materials. (75,000 poods of wool, 50,000 poods of flax, 14,000 poods of raw hides and 8,000 poods of horsehair).

The exportation of timber is a very important innovation of the past Kara expedition. Western Siberia has very rich timber resources, but they have not been commercially exploited due to the absence of a practical outlet to foreign markets. Although the quantity exported on this occasion, 750 standards as mentioned above, was small, the operations showed that timber can be profitably floated down the Yenissei River and taken out by vessels via the northern sea route. During the subsequent seasons it is intended not only to increase exports by way of the Yenissei River, but also to begin similar operations in the vast region to the west covered by the Obi river system, where the forests have not been exploited at all up to the present. It is thus expected that a profitable timber industry will be gradually inaugurated throughout western Siberia.

The report presented to the Planning Commission of the People's Commissariat for Foreign Trade in March contained a tentative program for the 1925 season which called for shipments to the Kara Sea coast of manufactured goods totaling 8,400,000 gold rubles in value and for return raw material cargoes worth 1,700,000 gold rubles. Thus the total proposed turnover for the forthcoming season would amount approximately to

10,000,000 gold rubles. After a detailed consideration of the projected plan, however, the Commission judged it advisable to reduce the proposed turnover to an aggregate of 800,000 poods valued at about 7,300,000 gold rubles.

As the growth of the Kara trading expeditions has been hindered by the insufficiency of ocean vessels and by the inadequacy of the Siberian river fleets, the Planning Commission of the People's Commissariat for Foreign Trade decided to petition the Council of Labor and Defense for authorization to impose a special tax of 20 per cent on the invoice value of goods imported to Northwestern Siberia by the Kara expedition, the resulting revenue to be employed for the purchase of the necessary ships. Furthermore, it was resolved to order two vessels immediately from Soviet shipyards.

Decree on Hiring Farm Labor

ON April 18, 1925, the Council of People's Commissars of the Soviet Union confirmed an important decree defining the conditions under which farm labor may be hired.

A careful perusal of the law itself and a consideration of the points stressed in the discussion of its provisions by the Soviet press show that this legislation was prompted by two fundamental motives—(1) a desire to increase agricultural production, thus helping to relieve rural unemployment at the same time, and (2) an endeavor to protect rural labor against certain abuses that have tended to arise in the past owing to the absence of specific stipulations covering the employment of hired agrarian labor.

It is the aim of the new legislation to increase the country's agricultural production by expanding the activity of the moderately situated peasant homestead through the addition of supplementary hired farmhands to the workers available in the individual family. For this purpose the opening clause of the decree specifies that "the present temporary regulations shall apply to peasant farms where hired labor is auxiliary." A note appended to this clause states that agricultural enterprises of an industrial type remain under the rules already in force with respect to State enterprises.

The decree permits the standard work-day of eight hours to be extended by mutual agreement when necessitated by the special requirements of agricultural activity during certain periods. However, agricultural employers will not be at liberty to impose a longer working-day arbitrarily or to extend the hours of labor permanently. There must be in each instance a special mutual agreement between employer and employee for a limited period, as shown by the following text of clause 6: "A longer work-day, i.e., a work-day of over

8 hours, is permitted by agreement between the contracting parties, depending upon the character of the work during distinct agricultural periods."

While the decree prohibits the employment of youths under 14 years of age for agricultural labor, it adds that young persons not less than 12 years of age may be employed for the performance of especially light work on the farm. In this regard further protection is provided by clause 12, which forbids the hiring of youths and pregnant women for farm work that may be harmful to their health.

Most of the clauses in the decree are devoted to a careful attempt to guard the interests of agrarian labor. The limitation placed upon the extension of the work-day has already been mentioned. Clause 7 makes it obligatory for the employer to give his workers one day of rest each week, and it is likewise provided that the special legally established holidays shall also be granted. A note to this clause stipulates that whenever an emergency renders it necessary to work on a rest day or holiday, the employees shall either receive extra pay according to a special previous agreement or shall be permitted to take off some other day of the week in recompense. The law declares that agricultural laborers are free to leave the farm on days of rest and holidays as well as on work days in their free time and to spend the time as they please.

Wages are fixed by mutual agreement, but the worker is protected against the acceptance of inadequate pay by clause 8, reading as follows: "The amount of remuneration for the work of laborers male or female, shall be established by mutual agreement, but it cannot be less than the minimum wage fixed by the State for the locality in question. The pay days, the form and method of payment (on a time basis, a fixed sum for a fixed amount of work, or by the job, in money or in kind) are established by mutual agreement." With further reference to this matter another clause states that the employer has not the right to constrain the hired farmhands to accept payment in kind if money payment has been specified in the agreement.

Closely connected with the question of wages is the problem of living conditions. In this regard the decree stipulates that the agrarian employer shall provide suitable living quarters for the workers and shall give them food of the same quality as that used by his own family.

The law includes provisions concerning the advance notice to be given before dismissal, payments for social insurance, and compensation in case of illness or accident. If the employer engages labor for the entire agricultural year, in the event of illness of male or female workers, also in the event of childbirth in the case of females, he is bound to pay the wages agreed upon and to furnish lodging and board for one month

from the day of illness, provided that the laborers have been in his employ for at least one month. Farmers hiring labor only for seasonal periods are obliged to pay stipulated wages and supply food and shelter for two weeks instead of one month in the eventuality above mentioned, provided the worker has been employed for at least two weeks. Free medical attendance is to be given to the agrarian workers by the public hospital service during the period of illness.

Farmers employing simultaneously three or more laborers throughout the agricultural year must pay for the social insurance of their workers in accordance with the special rules and reduced rates established by the Social Insurance Council attached to the People's Commissariat for Labor. When such social insurance payments are made by the agrarian employer, he is exempted from paying wages to workers during periods of illness as described in the foregoing paragraph, this remuneration being disbursed under these circumstances by the insurance organizations. In the event of injury or death due to accident indemnity is paid out by the insurance treasury in accordance with the generally established procedure. If the agricultural laborer was not insured, compensation for injury or death by accident is made to the worker or to the family by the employer in compliance with the laws of the respective Constituent Republics.

Discharge before the end of the term stipulated in the agreement is allowable only for sufficient cause, and in any case the employer must give the agrarian worker either two weeks' notice or, if he desires to effect immediate dismissal, two weeks' advance wages.

The decree also defines the obligations of hired agricultural workers toward their employers. Clause 11 binds the workers to perform the work agreed upon, to take good care of farm equipment and live-stock, and to cause no damage to the employer's property. According to clause 17 the employee must give one week's notice of intention to leave before the expiration of the contract period. Upon discontinuing their connection workers are obliged to restore to their employers any property with which they have been entrusted.

The decree (clause 18) authorizes the formation of special arbitration committees attached to the County Executive Committees for the settlement of disputes between agrarian employers and their employees. The settlement must be reached by mutual agreement, in the absence of which the case is referred to the civil courts. Such disputes may also be submitted directly to the civil courts if either of the parties concerned desires it.

The specific provisions made for the execution and registration of agrarian employment agreements show that the decree is to be strictly enforced. The regulations prescribe that the agreements are to be in written form and are to con-

tain the following points: (a) the principal work for which the laborer, male or female, is employed; (b) the period of employment; (c) the hours of labor; (d) the amount, form, and time of wage payments; (e) supplementary conditions agreed upon by the contracting parties. In every instance within two weeks from the date of employment a written agreement must be registered with the local rural Soviet which has no right to enter any changes in the agreements submitted and is instructed to provide this service free of any charge or tax.

Written agreements in behalf of the laborer may be concluded and signed by the labor union.

As a general precaution it is provided that any agrarian employment agreement containing stipulations in contravention of the decree is thereby rendered null and void. To guard against the possible evils of long-term contracts the decree limits the life of agricultural employment agreements to one year.

Decree on Special Holidays in Soviet Russia

On February 9, 1925, the All-Russian Central Executive Committee and the Council of People's Commissars of the R. S. F. S. R. passed the following decree concerning special holidays:

"In extension of Art. 112 of the Code of Labor Laws, the All-Russian Central Executive Committee and the Council of People's Commissars of the Russian Socialist Federated Soviet Republic decree:

"The Departments of Labor, in unison with the Provincial Trade Union Councils, shall establish, besides the holidays indicated in Art. 111 of the Code of Labor Laws, eight special days of rest each year, adapting these days to local conditions of nationality and custom, to the composition of the population, etc."

Mr. Rykov on Private Trade

Speaking before the Soviet Congress of Leningrad Province on April 14, Mr. A. I. Rykov, President of the Council of People's Commissars of the Soviet Union, touched upon the question of the Government's attitude towards private trade. He stated that this factor had always played an important part in the country's economic life and that the development of its activity would not be impeded by adverse administrative measures such as had occasionally been practised in some parts of the Soviet Union. The rapid expansion of industry and agriculture call for such a wide extension of trade that the State and cooperative trading enterprises will not be able to cope with it completely for some time to come. The private trader must accordingly be encouraged to help along the quick exchange of commodities by furnishing him with better banking facilities and by reduced taxation.

Agricultural Progress

THE People's Commissariat for Finances has published the following figures covering the value of the Soviet Union's agricultural production during 1924:

Branch of Agriculture	Value of Output in Gold Rubles
Crop Cultivation	3,900,000,000
Live-Stock Raising	1,482,000,000
Special Branches.....	645,000,000
Total	6,027,000,000

This total was distributed as follows among the various Soviet Republics:

	Value of Output in Gold Rubles	Percentage of Grand Total	Per Capita Production in Rubles
R.S.F.S.R. (Soviet Russia proper)....	3,839,000,000	63.7	49.5
Ukrainian Soviet Republic	1,427,000,000	23.7	61.8
White Russian Soviet Republic ...	180,000,000	3.0	50.3
Transcaucasian Soviet Federation..	198,000,000	3.3	49.7
Uzbek Soviet Republic	354,000,000	5.8	no data
Turkoman Soviet Republic	29,000,000	0.5	no data
Total	6,027,000,000	100	

Results of Spring Tractor Campaign

The following figures illustrate the general situation with regard to tractor supply during the current spring sowing campaign: On April 1 there were 2,325 old tractor units in the field. During the course of the campaign this year 1,330 imported tractors and 32 tractors of Soviet manufacture were distributed up to the close of April. In May 430 more imported tractors and 143 of Soviet make were to be allotted.

The above totals do not include the tractors previously distributed in Siberia and the Central Asiatic Republics, so that altogether it may be considered that 5,000 tractors with an aggregate capacity of from 125,000 to 140,000 horsepower were at work throughout the Soviet Union during the spring sowing campaign.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.
1 verst equals about two-thirds of a mile (0.66).
1 arshin equals 0.77 yard.
1 sazhen equals 7 feet.
1 dessiatin equals 2.70 acres.
1 vedro (bucket) equals 3.25 gallons.
1 gold ruble equals \$514.
1 kopeck equals .01 of a ruble.
1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

Adult Education in the U. S. S. R.

(This is the final instalment of an article on public education in the Soviet Union, which was started in the preceding issue of the Russian Review. The first instalment dealt with general and vocational training.)

THE general progress of the development of educational activities among the adults in the various republics forming part of the Soviet Union is shown by the following table indicating the increase of institutions for adult education of all types, for the period considered.

Educational Establishments for Adults	Jan. 1, 1923	Jan. 1, 1924	% of increase (+) or decrease (-) as against 1923
Soviet Russia proper:	27,723	39,992	+ 44.3
European part	24,584	35,259	+ 43.9
Siberia	2,872	4,275	+ 48.9
Turkestan	267	458	+ 71.5
Ukraine	5,900	17,783	+201.4
White-Russia	257	616	+139.7
Total for U.S.S.R.....	33,880	58,391	+ 64.8

In the whole Union (without the Transcaucasian Soviet Federation) the number of institutions for adult education increased 64.8 per cent. This branch of educational activities suffered more than any other in the period of retrenchment and now attempts are being made to recover the loss by an increased pace of development exceeding in this respect other branches of education, namely, general education and vocational training.

When the relative figures are examined it is to be noted that the European part the R.S.F.S.R. is surpassed as to the increase of educational institutions by its autonomous border republics and particularly by the constituent republics of the Ukraine and White Russia. Whereas in the European provinces the increase of the establishments concerned with adult education amounts to 43.4 per cent, in Siberia this figure is 48.9 per cent, in Turkestan 71.5 per cent. The Ukraine shows an increase of 201.4 per cent and White Russia 139.7 per cent.

The total figures showing the change of the number of the various types of institutions for

adult education for the entire U. S. S. R. is given in the following table:

	Jan. 1, 1923	Jan. 1, 1924	% of Increase (+) or decrease (-) as against 1923
Schools for semi-literates and illiterates.....	2,828	14,803	+423.4
Party schools, civics courses.....	746	1,229	+ 64.7
Libraries	13,074	13,450	+ 2.8
Reading-Cabins	4,511	10,417	+130.9
People's Houses and Clubs..	8,206	11,561	+ 40.9
Theaters, Theatrical Groups.....	4,058	5,132	+ 26.4
Cinema Theaters	956	844	- 11.8
Museums	697	755	+ 8.3
Studios	360	200	- 44.5
Total	35,436	58,391	+ 64.9

The greatest increase was effected, as was to be expected, among the institutions for the elimination of illiteracy. These increased more than four times their number, viz., 423.4 per cent. The second place is occupied by the increase of Reading Cabins whose number increased 130.9 per cent. The third place is occupied by the Soviet party schools, political courses, etc., whose number increased by 64.7 per cent. These are followed by the theatres and theatrical groups, (increase of 26.4 per cent) and finally the museums and libraries which show a rather small increase, viz. 8.3, respectively 2.8 per cent.

In two classes of institutions there was noticed a decrease. As formerly the number of studios of every kind decreased considerably (during the time examined this decrease amounted to 44.5 per cent), but quite unexpectedly the number of cinemas decreased also (11.8 per cent).

In view of the exclusive interest presented by the activities connected with the struggle for the elimination of illiteracy among the population, the figures indicating the increase of the number of centers for fighting illiteracy and of schools for semi-literates as well as the number of pupils in same are shown in the table below:

Schools for Semi-literates and Centers for Stamping out Illiteracy

Republics	January 1, 1923		January 1, 1924		Percentage of increase (+) or decrease (-) compared with 1923	
	Establishments	Attendance	Establishments	Attendance	Establishments	Attendance
R. S. F. S. R.....	2,137	68,384	9,549	296,019	+346	+332
European Part.....	1,695	56,048	8,066	251,784	+375.9	+399
Siberia	385	9,721	1,309	38,319	+240.0	+294
Turkestan	57	2,615	174	5,916	+205.2	+126
Ukraine	650	21,782	5,050	176,750	+676.9	+711
White-Russia	41	2,702	204	5,508	+397.5	+103
Total for U.S.S.R.....	2,828	92,868	14,803	478,277	+423.4	+415
Percentage of number of attendants in rural localities as compared with total.....		51.7		74.5		

In the whole territory of the Union (without the Transcaucasian Soviet Federation) uniform increase of institutions and attendants is to be noted; the number of either increased more than four times. The work developed most intensively in the Ukraine; while the number of institutions increased there more than six times, the number of pupils increased more than seven times (711.4 per cent). In White Russia the increase of the number of establishments in 1924, as compared with 1923, was fourfold, while at the same time the number of attendants increased only 103.8

The activities connected with the elimination of illiteracy in the territory of the R. S. F. S. R. increased more than threefold (institutions 346 per cent, and attendants 332.8 per cent). In this connection it must be pointed out, that in the development of establishments and attendants in this branch of the work of adult education, a slowing up is to be noted in the direction from the center to the borders while with regard to the U. S. S. R., as a whole the tendency was exactly inverse. While the European part of Soviet Russia showed an increase in the number of establishments by 375.9 per cent and of attendants by 339.2 per cent, Siberia shows a smaller percentage, viz. 240 per cent for establishments and 294.1 per cent for attendants, and Turkestan shows a still smaller percentage in the increase of institutions, viz. 205.2 per cent, and 126.2 per cent for the number of attendants.

The figures shown in the last line of the table give the percentage of attendants in rural communities. In 1923 the figure was 51.7 per cent and in the year 1924 it was 74.5 per cent. This represents an extraordinarily favorable symptom of the spread of the work towards the elimination of illiteracy among the rural population.

The past two years (1923 and 1924) must be considered, taking all in all, as the turning point in the development of public education in the republics of the Soviet Union. The process of decrease of the number of school establishments intended for mass education can, with rare exceptions, be considered as terminated, the various localities having apparently succeeded in obtaining the material means for the reestablishment of the institutions that had been given up during the period of economic distress. The reestablishment of the various branches of public education, such as general education, vocational training, and political education progresses in intensity at the same pace as the process of curtailment and decline took place during the period of economic retreat.

The first place in intensity of increase is occupied by the institutions for adult education, which lost most in the period of retrenchment. The second place belongs to the mass institutions for vocational education which were not given the full share of development due to them. This must be ascribed to the fact that the development of certain branches of higher vocational training

was favored to the detriment of the lower vocational schools for mass attendance. The last place in the ratio of increase belongs to the institutions of general education. In this branch, however, the most favorable place is occupied by the elementary schools. On the other hand the pre-school establishments and children's homes which have come up during the revolutionary period, and apparently, have not received general recognition, are losing ground as before.

Simultaneously with the decrease of the number of creches, kindergartens and children's homes, there was going on in the R. S. F. S. R. and particularly in Siberia, an increase in the number of elementary schools and also of extended elementary schools ("Seven-Years' Schools," being a reduced combination of elementary and secondary schools); in the Ukraine the number of "Seven Years' Schools" is decreasing but their attendance is increasing. The same process of merging of schools also took place among the secondary schools for general instruction and the "Nine-Year Schools" (combined elementary and secondary schools). The number of the former decreased quite considerably, while the latter on the contrary multiplied. The establishment of a new type of school, created by the revolution, namely the "School-Communes," School Colonies, is being continued and their small absolute number begins to increase quite considerably.

In the field of vocational education the chief emphasis is beginning to be laid on the training schools for mass attendance. The higher types of institutions, which developed strongly in the former years, began to decrease considerably and the number of their students was reduced. This tendency for retrenchment appears also in the intermediary types of technical schools which also decreased quite considerably in number, though for the time being, maintaining their number of students and even increasing it due to the influx of students from the former higher educational establishments. The training of students for the higher educational establishments from among workers and peasants is going on satisfactorily and the number of the workers' college courses and students attending them is increasing considerably.

In the field of adult education there is to be noticed a remarkable development of local initiative in the struggle against illiteracy. The number of centers for teaching adult illiterates increased considerably and, most remarkable of all in the majority of cases this work is done in rural localities embracing more than three-fourths of the total number of illiterate adults. The achievements of the Ukraine are particularly interesting in this respect, the increase both in the number of schools engaged in stamping out illiteracy among the adults and in that of the attendance surpassing Soviet Russia proper by 100 per cent.

Foreign Relations of the U. S. S. R.

The Soviet Union and the Arms Traffic Conference

ON January 8, 1925, the General Secretariat of the League of Nations transmitted a letter to the Soviet Government with an invitation from the Council of the League of Nations to a Conference to be opened on May 4 upon the regulation of international traffic in arms, in which connection there was appended to the letter a draft of the convention drawn up by the so-called "Temporary Mixed Commission" attached to the League of Nations. On April 17, in answer to this letter, the People's Commissariat for Foreign Affairs informed the General Secretary of the League of Nations by telegraph of the Soviet Union's refusal to take part in this conference, confirming the telegram by a letter of the following content:

The international regulation of the arms traffic amongst the various nations was forecast by the statutes of the League of Nations. This plan was first proposed by the convention concluded by the Allied and the Associated Powers at Saint Germain in 1919. It did not go into effect in consequence of the refusal of the United States of America to ratify it. The so-called "Temporary Mixed Commission" attached to the League of Nations has elaborated a new project, which is to be considered at the Conference of May 4. Under this plan Governments may issue licenses for the exportation of arms only in the event that shipments are destined directly to nations recognized by them. The exportation of arms addressed to private persons is allowable only under special permits for individual lots. The issuance of all licenses for the exportation of arms is centered in an international bureau to be established by the League of Nations. In principle this system takes away the supply of arms from elements not recognized by the Governments and places this matter under the control of a bureau created by the League of Nations, i. e. in the final analysis—under the control of the Entente. Furthermore, special so-called forbidden zones are created. In the Saint Germain convention among such were reckoned: Transcaucasia, Persia, the former Ottoman Empire and all of Africa, except the Union of South Africa, Algeria, and Libya. At the forthcoming conference the League of Nations intends to present new proposals with regard to this question. It is known that England wants to include China in the forbidden zones. The exportation of arms into the forbidden zones is subjected to especially strict control. The arms are to be kept in special governmental warehouses, in which connection control measures are regulated by the convention in question, and the arms may be issued to the population only for fighting against insurgents and bandits. There are further special rules for limiting the sale of arms within the forbidden zones. The participants in

the convention are to report regularly to the League of Nations on the execution of the convention. The International Bureau is to report annually on the same matter to the League of Nations.

In its reply the Soviet Union pointed out that in general it maintains its negative attitude toward the League of Nations, that it departs from this stand only in exceptional cases to participate in purely technical problems or for particularly humanitarian motives, but that in the given instance it could not tolerate the proposed interference in its internal affairs, and that the Soviet Union could not stand in a position subordinate to the League of Nations.

Japan declared that she would take part in the convention only in case a number of powers named by her, "Russia" being among this number, participated. In the draft of the convention itself it is stated that the convention takes effect only upon participation of the list of Powers enumerated, among them "Russia."

Krassin on Millerand's Insinuations

On May 1 the Paris representative of the Rosta news service reported that in connection with the speech by M. Millerand accusing the Soviet Envoy of Communist propaganda, Mr. Krassin addressed a letter to the Havas Agency in which he protested against such assertions and made the following statement: "The Embassy of the Union of S.S.R. has as its exclusive object the maintenance of official relations between the Soviet and French Governments and it is not participating and never has participated in the activity of any French political party, and likewise has never come forward and does not come forward against France and her social system."

Japanese Press Agency Apologizes to Mr. Kopp

In the course of April the foreign press had given much publicity to an alleged speech delivered by Mr. Kopp in Harbin, Manchuria, shortly before his arrival in Tokio where he was to present his credentials as Soviet Envoy to Japan. In that "speech" Mr. Kopp was reported to have called the Soviet-Japanese Agreement a "scrap of paper."

Mr. Kopp protested against this malicious invention and on April 29 the Director of the Japanese news agency "Nippon Dempo" addressed an official letter to Mr. Kopp, the Soviet Envoy to Japan, expressing regret over the fallacious advices communicated from Harbin by the agency's correspondent. The Director stated that his agency has published an announcement to its readers in which it explains that it was misled by a telegram communicating a fictitious speech by Mr. Kopp. The Director begs the Soviet Envoy to consider the incident closed.

Russian White Guards in Chinese Army

On April 14 the Peking correspondent of the Rosta press service reported that in reply to the note transmitted by Mr. Karakhan, the Soviet Ambassador, with regard to the entrance of the White-Guard detachment in the vicinity of Shanghai into the army of Chang-Tso-Lin, Governor of Manchuria, the Chinese Government stated that the persons belonging to this detachment had received Chinese citizenship. In answer to this note from the Chinese Government Mr. Karakhan pointed out in a second note that their acceptance of Chinese citizenship was fictitious and illegal, inasmuch as it was contrary to Chinese law. In connection with this the Soviet Ambassador demanded prosecution of the Chinese generals who unlawfully supplied the Russian White-Guards with Chinese citizenship papers. Further on in his note Mr. Karakhan declared that even if the transfer of these individuals into the Chinese Army were lawful, in any case the reception into the Chinese Army of White-Guards formerly citizens of the Russian Empire was a direct infraction of the Soviet-Chinese agreement. He protests in the most vigorous fashion against the attempts of Chinese generals to retain Russian White-Guards in the service of their armies and insists upon the prompt disbandment of the White-Guard detachment enrolled in Chang-Tso-Lin's army, pointing out that the stand taken by the Chinese authorities in this question renders dubious the success of the negotiations at the forthcoming Soviet-Chinese conference. In conclusion Mr. Karakhan demanded that the Chinese Government inform him before the opening of this conference when the liquidation of the White-Guard detachment would be carried out.

Ratification of Convention between Turkey and Transcaucasian Republics

On April 14 the Anatolian Telegraph Agency reported that the Turkish National Assembly had ratified the convention concluded between Turkey and the representatives of the Soviet Republics of Azerbaijan, Georgia, and Armenia concerning consuls and inheritance rights. In addition to this the National Assembly ratified the railroad convention concluded by the Turkish Government with the Soviet Republics in question and also an agreement covering facilitated passage of the frontier for inhabitants in the border zone. Ratification was also put through for a special agreement with Georgia granting to the citizens of both countries the privilege of pasturage on the territory of the two contracting parties.

Soviet Envoys to Italy and to Japan Present Their Credentials

On May 3 Mr. Kerzhentzev, the new plenipotentiary representative of the Soviet Union in Rome, presented his credentials to the King of Italy. On May 5, Mr. Kopp, first Soviet Envoy to Japan, presented his credentials to the Prince-Regent.

Manganese and Oil Concessions

ACCORDING to newspaper reports from Moscow, the Harriman interests are about to conclude with the Soviet Government the terms of a twenty-year concession to operate the manganese mines in the Chiaturi district of the Soviet Republic of Georgia, the richest manganese fields in the world. The negotiations are still going on.

Before the war the Russian Empire was the chief producer in the manganese field. Four-fifths of its production came from the Chiaturi fields, 100 miles from the Black Sea port of Batum. In the five years before the war Russian production averaged over 850,000 tons annually, of which all but 1 per cent was exported. Russia furnished 81 per cent of the manganese used in Austria, 69 per cent of that used in Germany, 55 per cent in Belgium, 39 per cent in England. In 1913 twelve per cent of the manganese used in the United States came from Russia.

When the war closed the Dardanelles to Russia, manganese production virtually ceased. It was not revived until 1922. In the Soviet fiscal year 1923-24, ending October 1, 1924, 425,000 tons were mined, about half of the pre-war production, and 494,000 tons were exported (some from stocks on hand) valued at about 16,000,000 gold rubles at current prices. Lack of working capital hindered a greater output. During the five months ending March 1, 1925, about 175,000 tons were exported, valued at about 5,620,000 rubles.

The most recent Russian geological estimates place the reserves of manganese in the Chiaturi fields at 250 million tons.

Oil Concession in Shirak Steppe

Toward the close of April a concession agreement was concluded with the Italo-Belgian Joint-Stock Company. On the basis of this agreement the concessionary is granted the right to select three sectors each 125 dessiatins in extent from the entire oil area of the Shirak Steppe in Georgia for thorough exploration.

During the course of the first one and a half years the concessionary is allotted 30 dessiatins for exploitation in each sector. At the end of the prospecting period a minimum production and a minimum drilling depth is stipulated for the first five years by mutual agreement. The period of the concession is 30 years. The holders of the concession must pay annually in two installments 15 per cent of the gross output of the exploited sectors. In addition, the Georgian Government has the privilege of purchasing 50 per cent of the net output at prices prevailing in the London market. The concessionary has the right to export oil products on the generally established basis.

At the termination of the concession period the wells are to revert to the use of the Soviet Government without compensation.

Cultural Life in the Soviet Union

All-Russian Society for Cultural Relations with Foreign Countries

IN a circular sent out a few months ago, the Russian Information Bureau in Washington called attention to the organization in Moscow of the Joint Information Bureau for the purpose of establishing closer relations between cultural and scientific bodies in the Soviet Union and those of other countries.

At a recent meeting (April 5, 1925, in Moscow) of representatives of the principal cultural and scientific societies of the Soviet Union this project assumed more definite form and a broader scope. The Joint Information Bureau was replaced by the more comprehensively named Society for Cultural Relations with Foreign Countries, which is designed to embrace the cultural societies of the whole Union.

The following officers were elected: President, Madame O. D. Kameneva; Vice-President, Mr. N. I. Loboda; Corresponding Secretary, Mr. D. P. Bukhartsev.

The Society has organized the following departments:

1.—Contact Bureau, to establish contacts with foreign societies for the purpose of exchanging information, views, reports, etc., of a cultural and scientific character. This bureau will also engage in answering various inquiries coming from abroad, in collecting general information about cultural conditions in foreign countries, in the exchange of professors and students between the Soviet Union and other countries, in gathering data concerning international and national congresses, conferences, and expositions abroad and in the Soviet Union, etc.

2.—Book Exchange Bureau, which will conduct all exchanges of general and scientific books between the Soviet Union and foreign countries.

3.—Press Bureau, which will look after the compilation and publication of a bulletin of cultural and scientific life in the Soviet Union. This section will also supply foreign countries with articles and notes of cultural interest on the various phases of Soviet life, and it will furnish interested institutions and organizations of the Soviet Union with clippings from general and technical foreign publications, and vice versa.

4.—Service Bureau for Foreign Visitors, which will assist foreigners visiting the Soviet Union for the purpose of acquainting themselves with the cultural life and customs of the Soviet Union. This division will likewise extend its services to arrange tours for foreign professors, scientists, etc., visiting the Soviet Union, and reciprocal tours in foreign countries, for study and research, by citizens of the Soviet Union.

5.—Russ-Photo Bureau, which will supply pictorial material covering life in the Soviet Union to the foreign press, and foreign illustrations to the Soviet press.

Interested institutions, organizations and individuals may communicate with the Russian Information Bureau, 2819 Connecticut Avenue, Washington, D. C. which has undertaken to represent the reorganized body in the United States, or directly to the Society for Cultural Relations, Moscow, Sverdlov Place, Second Soviet House, Apt. A.

New Literature for Children II*

THE new educational problems that have arisen in the Soviet Republics have made necessary a thorough-going revision of the existing literature for children of pre-school age. In the new conditions of life, the child is in need of a new type of story, a new book, calculated to answer the new pedagogical requirements.

The child of the Soviet State is dominated by other interests than was the child of the pre-war period. The outer and inner life of the child, his taste and his ambitions have suffered a fundamental transformation.

The time-honored "gift-book" can no longer satisfy the needs of the Soviet child. Very characteristic is the letter addressed to "Pravda" (No. 177) by a "Young Pioneer," which calls upon the grown-ups to provide the children with a new literature. ("Don't feed us the old cud again!") Slowly but surely the old children's book is being replaced by a new type of book, in which the throb of present-day life may already be felt. The object of this new book is not only to amuse the young reader, but also to aid him in accomplishing a more conscious accommodation to the world that surrounds him, and thus to contribute to the development of the new human type.

The constantly increasing demand for new juvenile literature can as yet be by no means thoroughly satisfied. To a certain extent the old literary material must still be made use of. But particularly in the recent past this work has become very active, as may be seen from the new juvenile books being written, as well as from the extent to which they are being published.

In this connection not only the creative work of the Russian writers, but everything else as well which appears on the foreign book-market, is laid under contribution. A short review of a few of the most recent appearances in the field of modern Russian juvenile literature will be given below. For this purpose the juvenile books will be di-

*An article on the same subject, from the pen of another author was printed in the preceding issue of the *Russian Review*.

vided into the following age groups: (1) up to the age of seven; (2) seven to eleven years of age; (3) twelve to fifteen years of age:

Pre-School Age (up to seven).—The following recent publications in this group are worthy of mention:

1. "The Young Hare," an almanac for children of pre-school age, by J. Mexin. This excellently illustrated collection includes fairy-tales, poems, and songs dealing with the favorite animal of the children, namely, the hare. Those in charge of kindergartens find this book a welcome aid in their work. The Almanac includes an exhaustive bibliography of juvenile books and songs dealing with the hare.

2. "The Mosquito" by J. Mexin is a tale—in excellent poetic form—dealing with the mosquito and its adventures. Kuznetsov's merry drawings make the book even more interesting than it would otherwise be.

3. "Mechanics and Children," by J. Mexin and Shervinsky, consists of a number of merry poems for children from four to seven years of age, on the cabinet-maker, the chauffeur, the machinist, the grinder, etc. Due emphasis is placed on the functions of workers in those callings that are most accessible to the understanding of children at this stage of their lives.

4. Little tales taken from the lives of the children in city and country during the years of revolution, by the recently deceased writer Neverov are very simple and impressive in tone. It has been thus far impossible to surpass, in form, in content, or in spirit, these stories, which are so well adapted to the understanding of children of pre-school age.

5. In the book "Around the Year," I. Novikov presents, for children from six to eight years old, an account, in text and pictures, of the four seasons as illustrated by nature, the life of the village, and the children's games.

6. N. Ognev, in his fairy-tale "Yashka iz Karmashka," tells the story of a little girl who lives together with a bear and a wolf, waiting on their needs, building a hut, etc. The illustrations of this book are an excellent imitation of the manner in which children draw their pictures.

7. Particularly worthy of note is a collection called "Russian Folk-Songs," which contains nothing but original folk productions and constitutes a valuable aid in preparing lectures, conversations with children, dramatizations, games, etc. Other works of the same kind appearing subsequently to this volume have drawn many folk-songs, preferably from its pages.

8. Among children's books translated from foreign languages, mention is deserved by "The Song of the New Locomotive," by L. S. Mitchel. In a most ingenious manner, the author attempts to impart to the children some idea of the working of a locomotive. The song ends with a game

to be played by the children. This is the first Russian translation of American kindergarten literature.

Further works by the same author will be published later, including her book "For the Smallest Tots," which contains little stories of the life in the kindergartens and is adapted particularly to satisfy the child's instinct for play also, her "Children's Tales," which are destined for the older stage of the pre-school child's life, and contain much material on the means of transportation, animals, water, etc. The plain every-day language of these books may be taken as a model for all of the child literature that is to be written.

9. W. Stamm, in his book "Flying Worms," provides children of pre-school age, in thoroughly understandable form, with a number of concepts concerning the transformations of butterflies, the differences between worms and caterpillars, protective coloring of insects, etc.

10. The so-called "Production Books," by Smirnov and G. and O. Chichagov represent a very interesting departure. The book is destined for a child growing up in a newspaper-reading environment. The portfolio, "Where do our Dishes Come From?" gives a very interesting pictorial and versified account of the manner in which the various pottery utensils are manufactured.

11. Uzhinsky's book, "How the Shirt Grew in the Fields," tells the child of six or seven something about the production of flax. This book fully satisfies the curiosity always found in children of this age with regard to the objects surrounding them and the manner in which they came to be.

Scientific Institutions, Learned Societies and Museums

THE Council of People's Commissars of the R. S. F. S. R. (Soviet Russia proper) has ratified the following list of scientific and art institutions, museums, and societies for the protection of objects of nature which come within the jurisdiction of the Chief Administration of Learned, Scientific, and Art Institutions. The expenditure involved in the staffing and upkeep of these institutions is to be met out of the State Budget according to the estimates drawn up by the Commissariat for Education of the R. S. F. S. R. Similar institutions under the direction of the Commissariats for Education of the autonomous republics are to be maintained by the budgets of these Republics.

The Russian Academy of Science, Leningrad

and the following institutions connected with the Academy:—

The Physico-Mathematical Institute.

The Chemical Institute.

The Japhetic Institute.

The Caucasian Historico-Archæological Institute, Tiflis.

The Botanical Museum.

The Geological and Mineralogical Museum.

The Zoological Museum.
 The Museum for Anthropology and Ethnography.
 The Asiatic Museum.
 The Museum of Russo-Slavonic Books.
 The Pushkin House.
 The Permanent Commission for the Study of the Natural Productive Forces of Russia ("Keps") with a branch in Moscow.
 The Permanent Commission for the Study of the Races which inhabit Russia ("Kips").
 The Permanent Polar Commission.
 The Permanent Seismic Commission.
 The Laboratory for the Study of the Anatomy and Physiology of Plants.
 The Special Zoological Laboratory.
 The Physiological Laboratory.
 The Sevastopol Biological Station, Sevastopol.
 The Archives of the Academy of Science.
 The Library of the Academy of Science.

Physico-Mathematical Institutions

The Chief State Astronomical Observatory at Pulkovo with branches at Simeiz and Nikolayev.
 The Astronomical Institute, Leningrad.
 The State Astro-Physical Institute, Moscow, with the Observatories at Tashkent and Novocherkassk, and a Station at Kuchin.
 The Chief Geo-Physical Observatory, Leningrad, with a branch at Slutsk and with a number of Meteorological Stations.
 The Irkutsk Meteorological Observatory, with a number of Meteorological Stations.
 The Sverdlov Magnetic and Meteorological Observatory, with a number of Meteorological Stations.
 The Semenov Meteorological Observatory, Kursk.
 The Kostroma Geo-Physical Station.
 The Moscow Scientific Research Geo-Physical Institute, consisting of the Meteorological Observatory in Moscow, the Aerological Observatory at Khodynka, and the Geo-Physical Institute at Kuchin.
 The Vladivostok Meteorological Observatory, with a number of Meteorological Stations.
 The State Optical Institute, Leningrad.
 The State Physico-Technical Institute, Leningrad.
 The State Röntgenological and Radiological Institute, Leningrad.
 The State Radium Institute, Leningrad.

Physico-Scientific Institutions

The State Polytechnical Museum, Moscow.
 The Psycho-Neurological Academy, with the State Institute for the Study of the Brain and of Psychic Action, Leningrad.
 The State Hydrological Institute, Leningrad.
 The Floating Marine Scientific Institute, Moscow and Archangel.
 The State Timiriazev Scientific Research Institute Moscow.
 The Peterhof Physico-Scientific Institute.
 The "Lesgaft" Scientific Institute, Leningrad.
 The Microbiological Scientific Research Institute, Moscow.
 The State Institute for the Study of the Nature and Economy of the Drought and Desert Localities of Russia, Moscow.
 The Ceramic Institute, Leningrad.
 The Association of Naturalists, Moscow.
 The Zoo-Psychological Laboratory, Moscow.

Biological Stations

The Murmansk Biological Station, Alexandrovsk-on-the-Murman.

The Volga Biological Station, Saratov.
 The Kosino Biological Station, Kosino, on the Kazan Railway.
 The Bolshevskaya Biological Station, Bolshevo, on the Northern Railway.
 The Gluboki Lake Biological Station, Puchkovo, on the White Russian Railway.
 The Oka Biological Station, Murom.

Physico-Historical and Physico-Mathematical Research Institutes at Higher Educational Centres

The Association of Research Institutes at the Physico-Mathematical Faculties of the First Moscow State University, consisting of the Institute of (a) Mathematics and Mechanics; (b) Mineralogy and Petrography; (c) Physics and Crystallography; (d) Geology; (e) Zoology; (f) Botany; (g) Geophysics; (h) Astronomy and Geodesy; (i) Anthropology; (j) Geography; (k) Soils; (l) Chemistry (united with the State Scientific-Chemical Institute).
 The Clinical Institute of Functional Diagnosis and Experimental Medicine at the First Moscow State University.
 The Scientific Research Institute of Applied Physics at the Tomsk Technological Institute.
 The Scientific Research Biological-Geographical Institute at the Irkutsk University, with the Baikal Biological Station.
 The Scientific Research Institute at the Perm University, together with the Perm Biological Station.
 The Viatka Institute for Regional Knowledge, at the Pedagogical Institute, Viatka.
 The Regional Knowledge Institute for the Study of the South Volga District at the Saratov University.

Political Economy and Culture Research Institutions

The Institute of Red Professors, Moscow.
 The Leningrad Academy of the History of Materialist Culture, together with its Section in Moscow.
 The Commission for the Study of the Ethnic Cultures and Languages of the North Caucasian Nationalities (the North Caucasian Institute), Moscow.
 The Institute for the Study of Books, Leningrad.

Scientific Research Pedagogical Institutions

The State Scientific Pedagogical Institute, Leningrad.
 The Scientific-Pedagogical Institute of the Methods of School Work, Moscow.
 The Scientific-Pedagogical Institute of the Methods of Extra-School Work, Moscow.
 The Psycho-Analytic Institute and Laboratory, "International Solidarity," Moscow.

Research Institutions of Social Study

The Association of Research Institutes at the First Moscow State University, consisting of the following Institutes: (a) History; (b) Economics; (c) Languages and History of Literature; (d) Soviet Law; (e) Archaeology and Art; (f) Scientific Philosophy; (g) Experimental Psychology.
 The Colonization Institute at the Moscow Land-Surveying Institute.
 The Agricultural Economy Institute at the Timiriazev Agricultural Academy, Moscow.
 The Institute of Comparative History of Literature and Languages of the West and the East at the Leningrad University (formerly "Veselovsky").
 The Chair for the Study of Marxism at the Eastern Pedagogical Institute, Kazan.
 The Geographo-Economical Institute at the Geographical Institute, Leningrad.

(To be concluded in next issue)

Miscellaneous News

Budgetary Revenues during First Half of 1924-25

The following table shows the actual budgetary revenues derived by the Soviet Union during the first half of the current fiscal year commencing October 1, 1924:

Class of Revenue	Receipts in Gold Rubles	Percentage of Total for Half Year
1. Ordinary	1,085,800,000	86.4
2. Extraordinary:		
(a) from Credit		
Operations	37,500,000	3.0
(b) other extraordinary revenues	133,700,000	10.6
Total	1,257,000,000	100

The total revenue forecast for the first half of the current fiscal year in the Federal budget was 1,167,000,000 gold rubles, so that the actual receipts surpassed the estimate by 90,000,000 gold rubles.

State Bank Credits to Private Capitalists

Toward the middle of April Mr. Tumanov, Chairman of the Board of Directors of the State Bank, announced that the drafts of private firms and individuals presented by State organizations would be accepted for discount by the bank without impediment. Mutual credit associations serving small and middle merchants would also receive credit support in the way of rediscounting their commercial paper at the State Bank.

Electrification of Northern Caucasus

At a recent session the Electric Planning Commission heard a report on the five-year plan for the electrification of the Northern Caucasus drawn up by the North Caucasus Planning Commission.

The plan entails the construction of four new electric power stations (using oil-fuel) at Stavropol, Krasnodar, Armavir, and Georgievsk with an aggregate capacity of 28,000 kilowatts, and in addition eight hydro-electric power stations with a combined capacity of 64,000 kilowatts. Furthermore, it is proposed to raise the capacity of the mine electric power plant known as the Artem Station (near the Alexandrovo-Grushevsk railway station) from 6,000 kilowatt up to 36,000 kilowatt capacity. The stations would be joined by a series of transmission lines. Three main transmission lines are planned: (1) Artem-Novocherassk-Aksai-Rostov-Taganrog with a length of 78 kilometers; (2) Artem-Sulin with a length of 25 kilometers; and (3) Artem-Konstantinov-Kaya with a length of 50 kilometers.

The execution of this plan requires the expenditure of 50,155,000 gold rubles.

Development of Georgian Tea Industry

Toward the close of 1924 the State Planning Commission of the Georgian Soviet Republic elaborated plans for the development of tea plantations and the tea industry in the Soviet Republics situated on the Black Sea coast. The expansion projected for the forthcoming years would be sufficient to cover a considerable part of the Soviet Union's demand for tea.

The simultaneous assurance of a sale for the product would improve the economic status of tens of thousand peasant households in the three Republics concerned—Georgia, Ajaristan (Ajaria), and Abkhazia. An average of one quarter of a dessiatin devoted to tea culture by each farm would result in a crop of 700 pounds of tea leaves, which at a price of 15 kopeks per pound of green leaves would yield the individual homestead an annual income of over 100 gold rubles.

The plan provides for the establishment of a chain of 20 factories for 5,000 dessiatins of tea plantations. Several types of factory are designated: central factories working up the product completely, regional factories turning out a semi-manufactured product and serving an area within a radius of not over 7 versts, and, finally the central storing and packing establishments where a force of 1,500 workers would be steadily employed, even after the complete mechanization of the process of manipulating the tea leaves.

The factories already existing near the Black Sea coast, together with their equipment, materials and plantations, will serve as the initial basis for the expansion of the tea industry and the creation of a joint-stock company.

The data covering the soil and climatic conditions as compared with the principal tea-producing countries, such as Japan, China, India, and the islands of Ceylon and Formosa, reveal the advantages of the Black Sea littoral.

The Georgian State Planning Commission proposes to solve the problem of organizing the sale of the product by having the tea-consuming organizations and cooperatives participate in the joint-stock company.

Stock Companies in the U. S. S. R.

According to the data of the People's Commissariat for Domestic Trade, there were 21 joint-stock companies in the U. S. S. R. at the end of 1922; 66 companies were licensed during 1923, and 42 during 1924. Out of this number, 75 were still active on January 1, 1925. Of these 28 were State joint-stock companies, 30 mixed companies with the participation of both State and private capital, and 27 private joint-stock companies.

In addition, 17 joint-stock banks were registered with an aggregate capital stock of 131,000,000 gold rubles.

New Iron Deposits in Central Russia

Investigations prompted by certain marked magnetic peculiarities in Kursk Province, about 250 miles south of Moscow, have revealed the existence of enormous iron ore beds in central European Russia. Test borings were made at 21 points for a total depth of 6,000 meters. The analysis of the samples procured showed the iron content of the ores to run from 30 to 45 per cent. The reserves of iron in the new field are tremendous. The pure iron content is approximately 5,000,000,000 poods per square verst. The reserves of the Shchigrovsk district in this area may be placed at 70,300,000,000 poods for the deposits already located. In addition there are relatively far greater stretches to the north and south displaying the same magnetic abnormalities, so that the region as a whole must hold iron resources of colossal magnitude.

A committee was appointed to examine the commercial possibilities of the new field and has drawn up a tentative project for their exploitation, based upon an initial extraction of 50,000,000 poods of ore annually. According to the calculations of the committee it would cost 13.38 kopeks per pood to mine the ore and prepare it for smelting. Adding transportation and subsequent smelting expenses, the cost of producing cast-iron from the Kursk ores would be 92.18 kopeks per pood from ores with an iron content of 35 per cent, as against 90 kopeks per pood for cast-iron produced from the Krivoi Rog ores in South Russia. This showing could be much improved if, as has been suggested, electrical smelting plants were built in the Kursk region itself to turn the ores into iron right there, the power to be supplied by coal from the neighboring Moscow fields.

According to the opinion of technicians these deposits, if properly developed, may bring about a complete change in the structure of Central Russia's economic life, converting this region in one of the greatest world centers of metal industry.

New Gold Placer Mines in the Baikal Region

Rich gold placer mines have been discovered in Tulup County on the Karanchanko River with a sector extending from the village of Golousti to Listvyanka along the shores of Lake Baikal. The gold-bearing zone extends for a distance of 10 versts.

Oil Exports from Transcaucasia

During April "Azneft" (Azerbaijan Oil Trust) sold the Anglo-American Company 158,335 tons of kerosene for delivery in October. Further negotiations are being carried on with this company for the sale of 516,870 tons of kerosene for delivery during the fiscal year 1926-27.

In the course of the same month 51,667 tons of fuel oil ("mazut") were sold in France, and a trial order for 6,200 tons of fuel oil was obtained in Italy.

Manganese Ore Exports

During March 53,475 tons of manganese ore were exported from the Chiatura mines. The largest share of this total, 20,650 tons, went to America, followed by Germany with 18,485 tons.

New Oil Gusher

An oil gusher with a flow of 835 tons of petroleum per 24 hours was struck in field No. 3 of the Surakhan district toward the end of April.

Soviet Union at Paris Exposition

Extensive preparations have been made for the Soviet Union's participation in the Exposition to be held shortly at Paris. Recently six carloads of material were shipped from Moscow to Paris for this exhibition. Apart from space in the central pavilion, where examples of Soviet peasant handicraft, Russian porcelains, theatrical designs, models, and other specimens of the applied arts will be displayed, the Soviet Union will have a large two-story building as its special pavilion. The lower floor of this structure will be devoted to exhibits by the different nationalities included in the Soviet Union, while the upper story will lodge an exhibit of books, prints, and other productions of the graphic arts.

Increase of Telegraph and Telephone Lines

Telephone line mileage in Russia increased over 50 per cent in the last two years. At the close of the year there were 25,028 kilometers of telephone lines in the Soviet Union as compared with 15,244 kilometers in the former Russian Empire at the close of 1913 and 16,470 kilometers in January, 1923. The telephone expansion was the inevitable result of the general speeding-up of production.

Telegraph lines at the close of last year were 624,215 kilometers as compared with 487,249 in 1913 within the present Soviet territory, an increase of 28 per cent over the pre-war figure.

Afghan Fliers in Moscow Aviation Schools

Around the middle of April there arrived in Moscow 21 young Afghans who have been commissioned by the Afghan Government to study the art of flying in the Moscow aviation schools. At the present time aerial communication in Afghanistan is conducted by Russian and German aviators and by a small number of Afghan fliers who received their pilot training in Italy.

Exports of Casings

During the second half of the previous fiscal year ending October 1, 1924, the State Trading Bureau exported casing products to the value of 2,038,000 gold rubles. Of this total 1,353,000 gold rubles' worth were sold f.o.b. steamer at Soviet ports, while 585,000 gold rubles' worth were sold in foreign countries. Sales were distributed as follows according to countries: England—516,000 gold rubles; America—857,000 gold rubles; Germany—665,000 gold rubles.

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Soviet State Industries in Figures

Gold Mining Concessions

Sanitary Conditions in the U. S. S. R.

Struggle Against Illiteracy

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Foreign Trade for First Half of 1924-25

THE Soviet Union's foreign trade during the first half (October 1, 1924 to April 1, 1925) of the current fiscal year shows the following figures as compared with the totals for the foreign trade for the two preceding semi-annual periods:

Semi-Annual Period	Turnover in Gold Rubles	Percentage of 1st Half of 1923-24
1st Half of 1923-24.....	418,000,000	100
2nd Half of 1923-24.....	449,000,000	107
1st Half of 1924-25.....	464,000,000	111

The next two tables list the values of the principal agricultural and industrial commodities exported during the initial half of 1924-25 as compared with the corresponding part of 1923-24, in gold rubles at current prices:

Exports of Agricultural Commodities

Commodity	1st Half of 1924-25		1st Half of 1923-24
	Value in Gold Rubles	Per Cent of Total	Value in Gold Rubles
Grain	14,665,000	9.5	139,506,000
Oil-cake	14,944,000	9.6	12,013,000
Seeds	19,212,000	12.4	5,903,000
Butter	2,944,000	1.9	3,420,000
Eggs	8,923,000	5.8	2,558,000
Flax	44,406,000	28.7	14,012,000
Furs	24,444,000	15.8	25,782,000
Others	25,454,000	16.3	8,708,000
Total	155,042,000	100.0	212,406,000

Exports of Industrial Commodities

Commodity	1st Half of 1924-25		1st Half of 1923-24
	Value in Gold Rubles	Per Cent of Total	Value in Gold Rubles
Timber	22,181,000	29.0	24,369,000
Petroleum	23,042,000	30.2	14,024,000
Manganese Ores	7,988,000	10.5	6,030,000
Others	23,148,000	30.3	10,207,000
Total	76,359,000	100.0	54,630,000

The combined total of agricultural and industrial exports was 231,401,000 gold rubles for the first half of 1924-25 and 267,036,000 gold rubles for the first half of 1923-24. Agricultural commodities constituted 67 per cent and industrial commodities 33 per cent of the total exports for the opening half of the current fiscal year, while the corresponding percentages for the same part of the previous fiscal year were 79.5 and 20.5 respectively.

In the agricultural commodity group the largest increases were recorded for flax, eggs, bristles and

oil-cake, while in the industrial group petroleum and manganese ores registered the largest advances. A number of items of secondary importance showed increases concurrently with the major items. Thus, the exports of fruits and berries during the first five months of the previous fiscal year amounted to 45 tons, whereas during the current fiscal year they aggregated 626 tons; game and skilled poultry exports amounted to 5,650 tons as against 629 tons for the same period of the previous fiscal year; salt pork—732 tons (there were no exports of this commodity during the corresponding months of the preceding fiscal year); dried mushrooms—63 tons as against 32 tons; caviar—1,315 tons as against 842; fish of all kinds—2,661 tons as against none for the same part of the previous fiscal year; tobacco—1,327 tons as compared with 305; alcohol, liqueurs and wine—544,000 rubles as against none the preceding year; all sorts of seeds—138,500 tons as compared with 35,200 tons.

The exports of hides, on the contrary, decreased from 611 tons down to 203 tons. The exportation of casings almost doubled. Such commodities as horse manes and tails, feathers and down, all sorts of hair, wool and cocoons yield substantial export figures in the aggregate.

Among the industrial exports of secondary importance it is necessary to note the exportation of 125,000 gold rubles' worth of coal, 150,000 gold rubles' worth of iron ores, 1,100,000 gold rubles of bicarbonate of soda, and 200,000 gold rubles of soda, of which there were no exports during the analogous period of the foregoing fiscal year. The same may be said with respect to live-stock, the shipments of which amounted to 600,000 gold rubles (chiefly live hogs), whereas no live-stock was exported during the previous fiscal year.

In general, indubitable export increases are to be observed for agricultural products, except grain and raw hide products, and also for petroleum and manganese ores.

Imports for the first half of the current fiscal year show quite a substantial growth, totaling 233,000,000 gold rubles as against 150,000,000 gold rubles for the same half of the preceding fiscal year, i. e., an increase of 55 per cent.

The figures for the first quarter are 17.5 per cent above those for the corresponding period of the previous fiscal year, while those for the second quarter are 103 per cent higher.

The following table shows the distribution of imports according to commodity groups as compared with the corresponding period of the foregoing fiscal year (in tons and gold rubles):

Commodity Group	Imported during the First Half of 1924-25			Imported during First Half of 1923-24		
	In Tons	In Gold Rubles	Per Cent of Total Value	In Gold Rubles	Per Cent of Total Value	
Provisions and Live-Stock.....	255,162	50,255,000	21.6	6,840,000	4.6	
Animal Products and their manufactures.....	13,172	13,019,000	5.6	6,574,000	4.4	
Wooden Goods.....	10,774	5,365,000	2.3	2,185,000	1.4	
Ceramic materials and manufactures.....	2,632	1,064,000	0.4	456,000	0.3	
Fuel, Asphalt and Pitch.....	30,964	5,460,000	2.3	11,833,000	7.9	
Chemical Materials and Products.....	42,348	21,590,000	9.3	19,628,000	13.1	
Ores, Metals, and their Manufactures.....	74,596	57,944,000	24.9	33,698,000	22.5	
Paper Goods.....	85,972	13,084,000	5.6	6,135,000	4.1	
Textile Materials and their Manufactures.....	34,297	64,662,000	27.7	59,838,000	39.9	
Including:						
Cotton.....	24,725	33,964,000	14.6	21,188,000	14.1	
Wool.....	3,186	21,893,000	9.3	18,275,000	12.2	
Apparel, Haberdashery, Office Supplies and others....	99	689,000	0.3	2,654,000	1.8	
Total.....	550,466	233,132,000	100.0	149,841,000	100.0	

These import figures bring out the Soviet Union's economic situation into sharp relief. As a result of the bad harvest there was an increase in the importation of provisions, while the expansion of the country's industrial production led to larger imports of cotton, wool, chemical semi-manufactured products, tanning materials, metals, paper pulp, etc. and, finally, there was almost a ten-fold increase in imports of fertilizers and agricultural machinery. Thanks to the progress of the Soviet Union's coal-mining industry, it was possible to discontinue the importation of coal. Attention is attracted by the inadequate imports of machinery, although the duty-free importation of machines has expanded materially. The proportionate role of imports for industrial purposes shrank somewhat as compared with the previous year.

Foreign Trade for First Half of 1924-25 Month by Month

Value in Gold Rubles at Current Prices

Month	Exports Gold Rubles	Imports Gold Rubles	Total Turnover Gold Rubles	Balance Gold Rubles
1924				
October	41,951,000	36,790,000	78,741,000	+5,161,000
November	32,766,000	27,863,000	60,629,000	+4,903,000
December	44,560,000	36,402,000	80,962,000	+8,158,000
1925				
January	41,036,000	31,796,000	72,832,000	+9,240,000
February	37,788,000	45,337,000	83,125,000	-7,549,000
March	32,879,000	54,946,000	87,825,000	-22,067,000

Quantities in Tons

Month	Exports	Imports	Total Turnover
1924			
October.....	479,000	92,000	571,000
November.....	298,000	67,000	365,000
December.....	284,000	66,000	350,000
1925			
January.....	286,000	59,000	345,000
February.....	245,000	94,000	339,000
March.....	319,000	172,000	491,000

Soviet Exports and Imports by Countries for First Five Months of 1924-25

According to customs statistics, based on current prices, the Soviet Union's exports for the first five months (October 1, 1924 to March 1, 1925) of the current fiscal year were distributed as follows according to countries:

Country	Soviet Exports to in Gold Rubles	Percentage of Total
England.....	59,205,000	29.9
Germany.....	30,656,000	15.4
Holland.....	10,825,000	5.4
Latvia.....	37,061,000	18.7
United States.....	6,907,000	3.5
France.....	5,202,000	2.6
Esthonia.....	11,006,000	5.6
Other countries...	37,239,000	18.9
Total.....	198,101,000	100.0

For the five-month period England thus accounts for 30 per cent of the Soviet Union's exports as against 42 per cent on the basis of sales statistics. The percentage of the aggregate exports to England and Germany is 45 per cent. These discrepancies are explained by the fact that Berlin and London are the centers of Soviet trading activity and goods are sold there for shipment to other countries.

The Soviet Union's imports for the first five months (October 1, 1924 to March 1, 1925) of the current fiscal year were made up as follows according to countries, in gold rubles at current prices:

Country	Soviet Imports from in Gold Rubles	Percentage of Total
England.....	43,923,000	24.7
Germany.....	32,870,000	18.5
Holland.....	11,994,000	6.7
Latvia.....	864,000	0.5
United States....	23,967,000	16.3
France.....	2,528,000	1.4
Esthonia.....	1,506,000	0.8
Other countries..	55,536,000	31.1
Total.....	173,188,000	100.0

The Soviet Union's Foreign Trade for March

The following tables show the total export and import trade of the Soviet Union for the month of March as compared with February according to the preliminary statistics compiled by the customs service in tons and current gold ruble prices:

Imports: Value in Gold Rubles at Current Prices

Commodity Group	February Gold Rubles	March Gold Rubles
Foodstuffs and Live-Stock....	8,790,000	23,750,000
Animal Products and their Manufactures	1,865,000	1,899,000
Wooden Goods, Woodenware and Wickerwork, Plants and Plant Seeds	1,072,000	2,091,000
Ceramic Materials and Manufactures	230,000	122,000
Fuel, Asphalt, Pitch and their Products	906,000	1,535,000
Chemical Materials and Products	3,223,000	4,579,000
Ores, Metals and Metal Manufactures	12,033,000	9,405,000
Paper Goods and Printed Material	2,060,000	2,516,000
Textile Materials and Products.	15,020,000	8,926,000
Apparel, Buttons, Beads, Haberdashery, Writing Supplies, etc.	138,000	123,000
Total Imports	45,337,000	54,946,000

Imports: Quantities in Tons

Commodity Group	February Tons	March Tons
Foodstuffs and Live-Stock....	44,075	125,422
Animal Products and their Manufactures	5,291	1,314
Wooden Goods, Woodenware and Wickerwork, Plants and Plant Seeds	1,859	3,784
Ceramic Materials and Manufactures	492	160
Fuel, Asphalt, Pitch and their Products	1,022	2,878
Chemical Materials and Products	8,711	4,848
Ores, Metals and Metal Manufactures	13,500	10,777
Paper Goods and Printed Material	12,005	18,055
Textile Materials and Products.	6,943	5,182
Apparel, Buttons, Beads, Haberdashery, Writing Supplies, etc.	16	23
Total Imports	93,914	172,443

Exports: Value in Gold Rubles at Current Prices

Commodity Group	February Gold Rubles	March Gold Rubles
Foodstuffs	8,209,000	6,618,000
Raw and Semi-Manu- factured Materials	28,997,000	25,669,000
Live-Stock	381,000	346,000
Manufactures	201,000	246,000
Total Exports ...	37,778,000	32,879,000

Exports: Quantities in Tons

	February Tons	March Tons
Foodstuffs	66,569	53,613
Raw and Semi-Manu- factured Materials..	176,732	264,419
Live-Stock	1,005	698
Manufactures	454	264
Total Exports.....	244,760	318,994

Foreign Trade of Transcaucasian Federation

According to data contained in a report made by the Government of the Transcaucasian Federation of Soviet Republics at the Third Session of the Central Executive Committee of the Soviet Union in March the foreign trade of this Federation was as follows for the four quarters of the fiscal year 1923-24, in gold rubles at pre-war prices:

Quarter of 1923-24	Exports In Gold Rubles	Imports In Gold Rubles	Balance
1st Quarter....	7,697,600	4,862,300	+2,885,300
2nd Quarter....	9,074,800	9,574,700	- 499,900
3rd Quarter....	14,017,100	8,040,300	+5,976,800
4th Quarter....	11,004,100	6,553,400	+4,471,000

Anglo-Soviet Trade

Early in May the Reuter Agency reported that in answer to an inquiry in the House of Commons Mr. Cunliffe Lister, the British President of the Board of Trade, cited the following figures concerning Anglo-Soviet trade. During the year 1924 exports from the Soviet Union to England amounted to about £20,000,000. The value of commodities exported from England to the Soviet Union during the same period aggregated £11,170,000. Of this total £3,820,000 represented merchandise produced in England, while £7,350,000 consisted of British colonial and foreign goods (re-exports).

For the first quarter of the year 1925 exports from England to the Soviet Union totaled \$4,599,000 (English goods—\$1,502,000 and colonial and foreign goods—\$3,097,000). For the same quarter England imported £3,245,000 of commodities from the Soviet Union.

Soviet Trade with Poland

The Soviet Trade Delegation in Poland concluded a commission agreement early in May with the Cegielski firm for the delivery of \$3,000,000 worth of agricultural machinery and implements to the Soviet Union. The orders are to be executed within three years, and payments will be effected by 7-month drafts, dating from the sale of the implements in the Soviet Union.

Shortly afterwards an agreement was to be closed with a combination of agricultural machinery and implement factories for the delivery of goods amounting to \$500,000. In addition the Trade Delegation has purchased 2,000,000 burners for kerosene lamps.

The export and import operations of the Soviet Trade Delegation in Poland during the year 1925 have increased by 500 per cent as compared with the corresponding period of the previous year. At the moment the Trade Delegation is literally flooded with offers of goods by Polish firms, most of them offering their merchandise on six months' credit.

Fur, Bristle and Skin Exports

From October 1, 1924 to April 1, 1925 the State Trading Bureau exported 18,600,000 gold rubles' worth of fur, bristle and raw skin products, exceeding the exports for the same period of the preceding year by 70 per cent and almost equaling the total of 19,200,000 gold rubles for the entire previous fiscal year.

These exports were distributed as follows according to products and countries: Furs—14,300,000 gold rubles, of which 53.6 per cent went to America, 26.8 per cent to England, 14.2 per cent to Germany, and 5.4 per cent to France; bristles—2,900,000 gold rubles, of which 45.5 per cent went to Germany, 44.4 per cent to England, 4.1 per cent to France and 6 per cent to other countries; horsehair—558,000 gold rubles, of which 60 per cent went to Germany, 24 per cent to England, and 16 per cent to other countries; raw skins—841,000 gold rubles, of which 84 per cent went to Germany, 7 per cent to England, and 9 per cent to other countries; and other goods of this class—30,300 gold rubles, of which 83.7 per cent went to Germany.

Fur exports thus constituted 76.6 per cent of the aggregate of fur, bristle and raw skin products shipped out by the State Trading Bureau during the current season as against 90.1 per cent last year; bristles constituted 15.8 per cent as against 3 per cent last year; raw skins 4.5 per cent as against 3.1 per cent; and horsehair 2.9 per cent as against 3.8 per cent.

Sales on foreign markets totaled 18,200,000 gold rubles, including 15,000,000 gold rubles' worth of furs, which surpasses the previous year's figure by 150 per cent. The principal markets are: America—44.5 per cent, Germany—27.4 per cent, and England—26.7 per cent.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.
 1 verst equals about two-thirds of a mile (0.66).
 1 arshin equals 0.77 yard.
 1 sazhen equals 7 feet.
 1 dessiatin equals 2.70 acres.
 1 vedro (bucket) equals 3.25 gallons.
 1 gold ruble equals \$.514.
 1 kopeck equals .01 of a ruble.
 1 chervonets equals 10 gold rubles; its gold parity is \$.14.

Gold Mining Concessions

IN an interview with a representative of "Izvestia" Mr. G. K. Piatakov, Chairman of the Chief Concessions Committee made the following statements concerning the concession granted to the Lena Goldfields Company by the Soviet Government:

On April 30, I signed the draft of an agreement with the Lena Goldfields Company in the name of my Government. The representatives of the Lena Goldfields Company also signed the draft. Under this draft the Lena Goldfields Company has three months within which to confirm the agreement definitely, and one more month may elapse after that before its final ratification by us. At any rate the negotiations extending over a period of two and a quarter years have been terminated and in the near future we shall reach a conclusive decision with regard to the concession of this huge enterprise. We have had to yield on some very important and essential points, and I cannot but recognize that the terms of the draft agreement are somewhat severe for us. We were obliged to consent to these rather hard conditions because the Government is interested in the operation of this enterprise.

The area of the concession awarded to the Lena Goldfields Company consists of three groups of mining sectors, part of which the concessionary concern is to receive immediately after the agreement takes effect and part of which it will have the right to acquire as the result of its prospecting activities during the early years of the concession period. Under the agreement the fields and the privilege of prospecting and obtaining new fields are granted to the concessionary in the Lena-Vitim region for the purpose of mining gold, in the Zyrianovsk-Zmeinogorsk region (in the Altai) for the exploitation of the copper-zinc-lead ores and other useful mineral resources, and further west in the Sissertsk-Revdinsk region of the Urals, near Sverdlovsk (formerly Ekaterinburg), in order to work the copper, iron and other ores of this locality. In addition the concessionary receives bituminous and anthracite coal fields in the Kuznets Basin and in the Egorshinsk region for supplying fuel to its Altai and Ural plants. The concessionary possesses no mining rights with respect to platinum and other rare metals.

In connection with the right to extract and work ores the concessionary is also accorded certain privileges to exploit the timber resources of the concession territory and likewise to utilize the water power of rivers flowing through the regions in which the concessions are situated.

Together with the subsoil rights certain plants and structures located partly within and partly outside the concession area are also turned over to the concessionary. However, with the ex-

ception of the Revdinsk plant in the Urals, these do not embrace any major industrial units.

The Badaibinsk Railway branch in the Lena-Vitim region and the Degtiarinsk branch in the Urals are also handed over to the concessionary; under a special agreement with the Commissariat for Transportation the company obtains also part of the river steamship fleet on the Lena for a term of 15 years.

All these rights to subsoil resources, plants, etc., are granted to the concessionary under the terms of the agreement for a period of 30 years in the Lena-Vitim region and for a period of 50 years in the other regions. On behalf of the Lena District Company, the Sissert Company, Limited, and the Altai District Mining Company the concessionary waives all claims against the Government in connection with the nationalization of the former enterprises of those firms and undertakes to settle all claims by third parties that may arise in this connection.

The principal obligations of the concessionary are the execution of a definite construction program, the fulfillment of a specific prospecting plan, the expenditure of considerable sums of money on building work, the accomplishment of a fixed production program, pro-rata payments to the Government based upon production, together with various other payments, and, finally, an engagement to sell part of its output to the Government on terms stipulated in the agreement.

With reference to construction work it should be noted that the concessionary concern engages itself to build new plants in the Urals and in the Altai for smelting copper, zinc, lead and other metals and undertakes to equip the mines at a cost of more than 10,000,000 gold rubles. Furthermore, the concessionary is obliged to expend a sum of over 10,000,000 gold rubles for the development of the Lena gold-mining industry and especially for the introduction of machine methods. The concessionary's obligatory expenditures for construction and prospecting work in the three regions is fixed at not less than 22,000,000 gold rubles, and the actual amount will undoubtedly surpass the figure in question.

In addition to the pro-rata payment on production the concessionary has to pay a stump tax for cut timber according to the general rules, as well as a land tax per hectare.

The concessionary concern will enjoy certain facilities with regard to taxation, the importation of equipment into the Soviet Union, and the exportation of its products from the Union of Socialist Soviet Republics.

In connection with the minimum production program established in the agreement, the total payments made to the Government may not be less than 2,000,000 gold rubles annually, apart from payments for social insurance and other pur-

poses not included herein. This amount will be much larger in reality, as it is in the concessionary's interest to exceed the production minimum fixed in the agreement. The Government will also derive considerable benefit from its right to purchase part of the concessionary's output on favorable terms.

The minimum production program for the entire concession has been established as follows: gold—420 poods; silver—1,000 poods; copper—1,000,000 poods; zinc—600,000 poods; lead—180,000 poods.

The pro-rata payments on production range from 7 per cent on gold to between 6 and 4½ per cent for other non-ferrous metals.

In labor questions the concessionary is bound to abide by the general labor laws of the Soviet Union. With the exception of a small percentage of skilled employees, the workmen must be recruited from amongst the citizens of the Soviet Union.

Disputes arising between the concessionary and the Government with respect to the fulfillment of the agreement are to be adjudicated by a special court of arbitration. In case the parties can not come to an agreement with regard to the umpire, the latter is to be selected by the concessionary from a list of five designated by the Government from among the professors of the Freiburg Mining Academy and the Higher Technical School in Stockholm.

Upon the expiration of the concession period all the property in the concession enterprises reverts to the Soviet Government without charge. Beginning with the thirty-fifth year of the concession the Government has the right to repurchase the enterprises before the end of the fixed period on stipulated terms. In the event of gross breach of the agreement by the concessionary the Government, subject to the decision of a court of arbitration, has the right of suspending the validity of the agreement before its appointed term and of retaining the property of the concession enterprise in its hands.

The economic importance of this concession rests in the considerable investment of funds in the Soviet Union's industry, the increase in the country's output of non-ferrous and precious metals, the resulting improvement in the nation's trade balance, the favorable influence on the Soviet Union's currency policy, the enlarged wage sums remaining in the hands of the workers, the beneficial effect of the enterprise on the general circulation of commodities, and, finally, the creation of new industrial centers in outlying parts of the country. Furthermore, the payments and facilities to be obtained by the Government from the concessionary are not devoid of material importance.

Gold-Mining Concession in Kamchatka Province

Early in May the Council of People's Commissars of the Soviet Union confirmed the agreement submitted to it by the Chief Concessions Committee granting to a British joint-stock company, the Ayan Corporation, Limited, the right to engage in prospecting and mining activities on the territory of the Union of Socialist Soviet Republics.

The concession agreement covers the auriferous area in the region of Okhotsk County in Kamchatka Province.

The term of the concession is fixed at 36 years, during the first four of which the concessionary is to carry out prospecting work, expending 600,000 gold rubles for this purpose. All the data secured by the concessionary as a result of these exploratory operations are to be placed at the disposal of the Government. The sectors and mines allotted to the concessionary are turned over to the concessionary firm with all the State-owned housing and other structures located thereon, for which the concessionary will make payment according to their actual value.

The concessionary firm undertakes to conduct the gold-mining operations on its enterprise by improved methods, for which it has the privilege of importing the requisite machinery and equipment.

The production program will be established by the Government in agreement with the concessionary on a scale proportionate to the results of the prospecting work.

All the gold extracted by the concessionary must be delivered to the State gold assay laboratories under a special arrangement with the mining management. The Government reserves the right to purchase all the gold mined by the concessionary, who may export gold from the country only upon the Government's refusal to buy.

In return for the concession grant the Ayan Corporation, Limited, pays the Government a land charge per hectare and in addition a pro-rata share amounting to 5 per cent of all the gold mined by it. Besides this, an equal amount of gold is paid over to the Government to meet Federal and local taxes and assessments. Payment of trading certificates, licensing and stamp duties and taxes in connection with the business transactions effected by the concessionary will be made on the same basis as by similar State enterprises.

The concessionary must organize warehouses within the concession area to supply the workers and clerks with provisions and other consumption commodities, whose prices will be fixed by the local mine inspection authorities.

The labor conditions in the concession enterprises will be regulated by the laws in force within the Soviet Union and also by collective agreements

between the concessionary and the trade unions concerned.

Upon the termination of the period of the agreement the concession enterprise reverts to the Government without compensation, clear of debt and in working order, and throughout the course of the agreement the concessionary firm is obliged to insure the property at its own expense in behalf of the Government.

Within two weeks from the signing of the agreement the concessionary is to deposit with the State Bank of the Soviet Union to the credit of the Government a security of 100,000 gold rubles as a guarantee of the fulfilment of its obligation to carry out prospecting work.

In view of the remote location of the concession the concessionary corporation is authorized to build connecting roads, organize aerial transportation, and construct telegraph and telephone lines with due regard to established regulations.

All disputes between the concessionary and the Government are to be submitted for adjudication to an arbitration commission created for this purpose, and if in this connection the two parties fail to agree upon the choice of an umpire, the latter is to be selected from among six candidates named by the Leningrad Mining Institute.

New Gold Deposits

THE Division of Mines attached to the Supreme Council of National Economy of the Russian Socialist Federated Soviet Republic has obtained the following details with reference to the new gold mines discovered in the Blagoveshchensk region.

The Blagoveshchensk region, occupying about 10,000 square versts in the basin of the Amur River and its tributary, the Zeya River, belongs to the Amur mining area, which has yielded a large quantity of gold in the past, having produced over 5,000 poods during the foregoing fifty years. Gold from the Blagoveshchensk region assays rather high in fineness, i. e., around 900, and in some localities it reaches as high as 940, so that it is not lower than Lena gold. Altogether the Blagoveshchensk region yields about one seventh of all the gold produced in the Russian Far East, and during the past years it has provided from 40 to 60 poods of recorded gold.

Usually the work is done on deposits that lie near the surface so that they may be exploited by common manual labor. Up to the present the deep gold lode and ore deposits remain unexplored. For the past seven years no appropriate surveys of the area have been carried out, but from time to time individual prospectors and gold-seekers have struck upon the more deeply situated deposits, often with very rich contents. During the past two years a number of more important discoveries were made in the basin of the Amur

River, such as the Deliu Mine, the Savikha Mine, the Borovsk Mine, and others.

It is understood that the gold-seekers work by the crudest and most wasteful methods, but the local mine inspection service, having heard of such a discovery, immediately despatches its representative to the spot to organize the gold prospectors into artels, allots individual sectors to them, and thus strives to introduce order and system into the gold-mining operations. When the work is organized in this way it is customary to take from each man as rent a nominal amount of 2 to 3 dolas* of gold daily.

The Division of Mines of the Far-Eastern Industrial Bureau has already laid out a plan for carrying work in the chief gold-producing regions for the purpose of investigating the deep-lying gold lode and ore deposits. With such systematic exploration work there are greater chances of finding entirely new and rich gold beds.

As regards the possibility of foreign concessions, it must be recalled that one Anglo-American concession has already been in successful operation for three years in the gold-bearing basin of the Selemja River, a tributary of the Zeya River, not very far from the Blagoveshchensk region. There is no doubt that as soon as the exploration work by the Mines Division of the Far-Eastern Industrial Bureau has produced the expected results, the Far East, with its rich gold-bearing regions, will attract the serious attention and interest of large foreign gold mining concerns.

New Gold Deposits Discovered in Amur Province

Around the middle of April in Amur Province at a point 65 versts from Amazar River gold deposits, called the "Kangarak" Mines, were discovered with an area of one and a half square versts. The thickness of the gold-bearing stratum runs up to two arshins (1 arshin equals 0.77 yard). Some miners are washing out between 5 and 6 zolotniks of gold a day (1 zolotnik equals 65.83 grains).

Gold Production

The operations of the large State combinations exploiting the gold deposits of the Urals, Siberia, Kirghizia, and the Bashkir Republic turned out a total of 6,099.7 kilograms of gold in the course of the first half of the current fiscal year, representing an increase of 18.2 per cent over the aggregate of 5,155.5 kilograms for the corresponding half of the previous fiscal year.

This output was distributed as follows among the various types of operation:

Kind of Operation	Production in Kilograms
Systematic Operation	5,427.2
Prospecting	484.0
Contractors	17.4
Independent Producers	171.1
Total	6,099.7

*One dola is about 0.68 grain.

Thus, the output of the small-scale producers of all types constitutes 11 per cent of the total. The law of September 23, 1924, containing measures for the promotion of State and private gold-mining industry, established a number of facilities as regards taxation and financial matters for the benefit of small enterprises, so that a further development of the gold industry in all districts may be expected.

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

THE advances made by the Soviet Union in various spheres of its economic life since the low point years of 1920 and 1921 have laid a firm foundation for industrial progress, and lately the country's industries have forged ahead with a rapidity which would have been considered impossible even a year ago.

According to the data of the Central Statistical Department of the Supreme Council of National Economy the growth of large-scale State industry since the inauguration of the new economic policy is expressed by the following figures (in gold rubles at pre-war prices):

Fiscal Year	Output of Steadily Operating Industries	Output of Seasonal Industries	Total Output
1921-22	833,000,000	17,000,000	850,000,000
1922-23	1,199,000,000	39,000,000	1,239,000,000
1923-24	1,553,000,000	64,000,000	1,618,000,000
First half of 1923-24	740,000,000	—	—
First half of 1924-25	1,174,000,000	—	—

The recent period has shown a continuous upward revision of industrial programs and actual production has consistently surpassed these revised and enlarged schedules. Industrial production during the first half of the current fiscal year increased 56 per cent as compared with the output for the corresponding half of the previous fiscal year.

If the value of the output is estimated by the same method as was employed in pre-war times, the probable aggregate for all of the Soviet Union's factory and mill industries during the entire fiscal year 1924-25 will constitute about 5,700,000,000 gold rubles according to current prices, or about 3,450,000,000 gold rubles according to pre-war prices. The Central Statistical Department calculates the value of the gross output of the large-scale industries in 1913 at 4,937,000,000 gold rubles, so that production for the current fiscal year will be equivalent to 70 per cent of the pre-war total.

This marked expansion of industrial production is naturally accompanied by a considerable

increase in the percentage of full capacity at which the large industrial enterprises have been operating. At the present time the majority of the large active factories are running from 70 to 80 per cent of all their manufacturing equipment in good repair. While some enterprises, particularly in the heavy metallurgical industries, are operating at a lower level, there is a large number of establishments now working at from 90 to 95 per cent of full capacity. During the current fiscal year this advance toward full operating capacity has been attended with a decrease in the amount of fuel and raw material consumed per production unit.

Furthermore, the present year has brought with it a substantial growth of labor productivity. Thus, whereas during the first quarter of the fiscal year 1924-25 the individual worker's output per day averaged 5 rubles 30 kopeks at pre-war prices for the industry as a whole, the average daily production per worker for the entire previous fiscal year was only 4 rubles 6 kopeks, having risen from 3 rubles 71 kopeks during the opening quarter to 4 rubles 37 kopeks during the closing quarter.

In connection with this increased technical working efficiency the current year is bound to yield a considerable reduction in production costs. As the elapsed fiscal year 1923-24 will show a profit for industrial operations on the basis of the balance sheets already at hand, it may be expected that the financial results of the current fiscal year will be quite satisfactory in view of the anticipated decrease in operating costs.

Prospects for Production of Tin in the Soviet Union

The Metals Commission recently prepared a report on the question of producing tin in the Soviet Union and submitted it to the full session of the Industrial Section of the State Planning Commission of the Soviet Union.

The report pointed out the fact that at the present time about 2,000 tons of tin, costing over 5,000,000 gold rubles, are imported annually. With the development of the country's industries the demand for tin will be considerably larger and will soon attain the pre-war volume of from 5,000 to 7,000 tons. In view of this and also because the expanding world demand for tin is causing a steady advance in prices, the Metals Commission recommended that special attention be given to the exploitation of the Soviet Union's tin deposits.

According to the findings of the Geological Committee there are tin ore deposits along the Onon River in Transbaikalia near Olovianaya Station on the Transsiberian Railroad. The reserves of metallic tin in these deposits are reckoned at be-

tween two and three million poods. Furthermore, during the preliminary surveys the territory adjoining these deposits showed every indication of numerous tin and tungsten deposits. No definite action has as yet been taken on the application of the Geological Committee to the State Bureau for Non-Ferrous Metal Industries for the appropriation of the funds required for preliminary work and the determination of the tin content of the ores.

Since it regards the development of tin production as highly important, the Metals Commission proposed that immediate steps be taken for carrying out further surveys of the tin ore deposits in the Onon region during the present year, and likewise for investigating the feasibility of establishing a tin industry in this locality. The Commission also recommended that funds be appropriated to enable the Geological Committee to explore and survey the entire tin and tungsten region along the Onon and Borza Rivers.

The session concurred in the conclusions of the Metals Commission.

Progress of the Sugar Industry

Since the time of its lowest level in the year 1921 the Soviet Union's sugar industry has progressed parallel with the increase of sugar-beet growing by the peasantry.

Thus, in round figures, the output of refined white sugar has advanced as follows:

Year	Refined Sugar Output in Poods
1921	3,600,000
1922	12,000,000
1923	22,500,000
1924	27,300,000
1925 (Program)	44,000,000

The area of sugar-beet sowings by the peasants has expanded to correspond in the following manner:

Year	Sugar-Beet Area in Dessiatins
1921	153,000
1922	144,700
1923	220,000
1924	304,500
1925 (Program)	336,700

The next issue of the *Russian Review* will be almost entirely devoted to the Third Federal Congress of Soviets held in Moscow during the second part of May. It will contain the reports submitted by Mr. Dzierzynski, Chairman of the Supreme Council of National Economy, Mr. Sokolnikov, People's Commissar for Finances, and Mr. Frunze, People's Commissar for Army and Navy.

Soviet State Industries in Figures

THE preliminary data compiled by the Chief Economic Bureau attached to the Supreme Council of National Economy of the U. S. S. R. show the following production in natural units or at pre-war prices by the various branches of State industry in the Soviet Union for the first half (October 1, 1924 to April 1, 1925) of the current fiscal year:

Branch of Industry	Product	Unit	Output During 1st Quarter of 1924-25	Output During 2nd Quarter of 1924-25
Metal	Cast-iron	Tons	235,000	257,000
	Martensite	Tons	393,000	435,000
	Rolled Iron	Tons	288,000	308,000
	Copper	Tons	1,194	1,917
	Ferrous Metals	Rubles	30,327,000	35,300,000
	Non-Ferrous Metals	Rubles	11,603,000	12,000,000
	Machinery	Rubles	20,308,000	22,000,000
	Shipbuilding	Rubles	1,953,000	2,900,000
	Metal Goods	Rubles	3,929,000	4,400,000
	Agricultural Machinery	Rubles	5,860,000	7,000,000
	Total for Metal Industry	Rubles	73,980,000	83,600,000
Electrical (4 Trusts)	Finished Articles	Rubles	12,662,000	14,815,000
Cotton	Finished Goods	Meters	333,400,000	372,500,000
	Yarn	Tons	39,000	42,600
	Unfinished Goods	Meters	347,800	385,900
Wool	Finished Goods	Meters	11,200,000	12,400,000
	Unfinished Goods	Meters	12,200,000	13,100,000
	Yarn	Tons	6,700	6,900
Flax	Finished Goods	Square Meters	36,200,000	37,500,000
	Yarn	Tons	12,000	12,800
Heavy Chemicals	Acids	Tons	28,796	27,849
	Alkalies	Tons	33,953	30,687
	Salts	Tons	15,404	14,454
	Total Output	Rubles	18,988,000	21,500,000
	(The statistics presented cover only 5 trusts).			
Rubber	Rubber Shoes	Pairs	2,825,000	3,500,000
	Tires	Number	194,000	230,000
	Technical Goods	Tons	1,268	1,300
Varnish and Paints	Total Output	Tons	2,348	2,787
Pharmaceutical	Total Output	Tons	608	536
Aniline Dye	Total Output	Tons	531	702
Benzol	Total Output	Tons	14,924	17,125
Chemical Products derived from Wood	Total Output	Tons	633	859
	Tea and Coffee	Total Output	Kilos	2,710,000	2,098,000
Distilling	Including:			
	Bohea and Pressed Bricks	Kilos	1,749,000	1,275,000
	Alcohol, Unrectified, 40°	Vedros	633,000	2,586,000
Sugar Refining	Liquors	Vedros	681,000	1,054,000
	Brown Sugar	Tons	410,000	—
Paper	White Sugar	Tons	985,000	164,000
	Paper	Tons	44,355	49,941
Leather	Cardboard	Tons	4,108	4,874
	Skins in Hide units	Number	1,678,000	2,000,000
Coal and Petroleum	Shoes	Pairs	1,299,000	1,469,000
	Coal	Tons	3,050,000	2,950,000
	Petroleum Output	Tons	1,850,000	1,570,000
	Petroleum Products (all)	Rubles	32,545,000	33,693,000
Lumber	Sawn Lumber	Cubic Meters	360,000	470,000
	Veneers	Cubic Meters	9,433	9,739
Cement	Packed in Barrels	Number	661,000	697,000
Glass and Porcelain	Glass	Tons	40,558	44,635
	Porcelain	Tons	6,357	7,098
"Makhorka" (cheap tobacco)	Total Output	Kilos	14,300,000	(for half year)
Tobacco	Smoking Units	Number	12,115,000	(for half year)
Oil-Pressing	Vegetable Oil	Tons	98,000	(for half year)
Match	Cases	Number	1,621,000	(for half year)

Financial Items

THE Commissariat of Finance of the Soviet Union has announced a budgetary surplus for the first half of the Soviet fiscal year, October 1 to April 1. Revenues exceeded expectations by 113,500,000 gold rubles (about \$58,000,000). As a result of this showing the Soviet Union is now operating on what the Russians call a "hard" (unchangeable) budget for the full current half-year. During the past year "hard" budgets were adopted only for three-month periods, and before that only a month-to-month system was possible in the Soviet Union.

It is announced that the first "hard" budget for the full year will be inaugurated October 1 next.

The Financial Gazette (Moscow) points out that annual "hard" budgets have been made possible by the stabilization of the currency. "At the time when the currency was not stable," says the Gazette, "even the monthly budget plans had to be executed with great strain."

Soviet Budget for Second Half of 1924-25 Confirmed

On May 9 a special session of the Presidium of the Central Executive Committee of the Union of S. S. R. was held under the chairmanship of Mr. M. I. Kalinin to consider the question of the budget.

Reports were presented by Mr. V. Kuibyshev, Chairman of the Budget Commission attached to the Presidium of the Central Executive Committee of the Union of S. S. R., and by a representative of the Council of People's Commissars of the Union of S. S. R. As a result of its consideration of these two reports the Presidium decided to confirm the firm budget plan for the second half of the fiscal year 1924-25 submitted by the Council of People's Commissars, the revenue and expenditure sections each totaling 1,311,384,000 gold rubles.

The extra appropriations made possible by the increased revenues include 28,600,000 gold rubles for the development of State industry, 18,400,000 gold rubles for development of agriculture, 8,000,000 gold rubles to increase the capital of the Moscow Municipal Bank, which is extending credits for extensive housing projects, and smaller sums for transport, electrification, school and road construction and for the cooperative societies.

Expansion of Local Budgets

The following table illustrates the increase of local budgets in the Soviet Union during the last three fiscal years:

Fiscal Year	Revenues		Expenditures	
	In Gold Rubles	Per Cent of Total for 1922-23	In Gold Rubles	Per Cent of Total for 1922-23
1922-23	303,600,000	100	304,000,000	100
1923-24	681,000,000	224.3	663,600,000	218.3
1924-25	850,000,000	280	927,000,000	304.9

The actual local revenues during the fiscal year 1923-24 constituted 111.4 per cent of the budget forecast, while the expenditures amount to 89.2 per cent of the budget estimate.

Moscow Narodny Bank Credits to Cooperative Organizations

During the course of the year 1924 the Moscow Narodny Bank, Ltd., in London advanced the following credits to cooperative organizations:

Type of Cooperative Organization	Total Credits in £ Sterling
Consumers' Cooperatives	£2,349,400
Agricultural Cooperatives	2,861,900
Home-Craft Cooperatives.....	105,500
Other Cooperatives	201,400
Total	£5,018,200

On January 1, 1925, the total indebtedness of the cooperative organizations to the Moscow Narodny Bank was as follows:

Cooperative Organization	Indebtedness in £ Sterling
"Centrosoyuz" (Central Union of Consumers' Cooperatives).....	£549,800
"Selskosoyuz" (Union of Agricultural Cooperatives)	238,800
"Inocentr" (Central Union of Flax Growers' Cooperatives).....	311,700
Other Organizations	82,700
Total	£1,183,000

Sanitary Situation of the U. S. S. R.

FROM April 26 to May 4 the Thirteenth All-Russian Conference on Water Supply and the Technique of Sanitation was in session at Baku, and the Ninth Congress of Bacteriologists, Epidemiologists, and Public Health Physicians was held in Moscow from May 25 to 31. The reports of their deliberations are not available as yet but there is no doubt that the suggestions made at those congresses will greatly contribute to the further improvement of the Soviet Union's sanitary condition.

The past two years have witnessed a material decrease in epidemic diseases throughout the Soviet Union and, what is still more important, this has been accompanied by a marked fall in the country's general death rate. A few figures will suffice to illustrate the decrease. The grievous

years 1914 to 1922 with their epidemics, wars and famines, are still fresh in the memory of all. The tremendous losses of population through the increase of typhus, tuberculosis, and venereal diseases are still sharply remembered. Beginning with the year 1923 there is evident improvement. During the years 1911 to 1913 Russia's general death rate was 27.3 per 1,000 inhabitants. For the period from 1920 to 1922 this rate rose to 33.4 per 1,000 but in 1923 it fell to 22.7 per 1,000. In other words, the rate dropped 4.6 points below the pre-war level, or, as one writer puts it, the deaths in the Soviet Union in 1923 were 460,000 less than would have been expected under conditions prevailing before the war. For individual provinces and cities the death rate fell still lower. At the same time the birth rate advanced sharply. The Soviet Union now occupies one of the foremost places in the world with respect to the size of its birth rate and the natural yearly increase of its population. In 1923 this annual growth amounted to 19.8 per thousand inhabitants.

Epidemic diseases present a more complex picture. Spotted and remittent typhus have diminished greatly. During the calendar year 1924 the cases of remittent typhus throughout the Soviet Union totaled 48,181 as against 258,271 in 1923, while 122,121 cases of spotted typhus were recorded as compared with 242,890 in 1923. The epidemics continue principally in the northern provinces, the Ural region and Siberia. A still greater decline has occurred in smallpox epidemics. In 1924 there were only 26,744 cases of smallpox throughout the Soviet Union as against 44,642 in 1923 and 152,094 in 1920. In individual provinces and cities only sporadic cases have been recorded. Last year there were 41 cases of smallpox in Moscow, 12 in Leningrad, 5 in Rostov. The abatement of this epidemic is particularly striking because outbreaks of smallpox have been observed in England and the United States during the years 1923 and 1924.

A considerable frequency is maintained precisely by those contagious diseases which are connected with the unsatisfactory sanitary arrangements in the cities and villages, the slight development of central water supply (water piping) systems, the absence of proper garbage removal, and sewers. Hundreds of cities in the Soviet Union have no water main and pipe systems, while only a score or two have sewer systems, and partial ones at that. The pollution of the soil in cities is general, and as a result there are prolonged chronic epidemics of typhoid and outbreaks of dysentery, diseases due to the transmission of infection through the pollution of the water supply and the soil. In 1924 throughout the Soviet Union there were 144,582 cases of typhoid and 329,649 of dysentery. Finally, the occurrences of malaria for the entire Soviet Union were about as numerous in 1924 as in the preceding year 5,595,854 cases in 1924 as against 5,556,886 in

1923). And here, apart from other reasons, the swampy character of the ground in many localities, the lack of drainage and the absence of other measures for hydro-technic sanitation were among the causes of the extensive malaria epidemics. Children's communicable diseases (scarlet fever and diphtheria) showed an increase in 1924. There were 179,647 cases of scarlet fever and 59,345 of diphtheria. Here the country faces a definite new peril.

Diseases introduced from foreign countries—cholera and the plague—do not offer any particular danger. However, it must not be forgotten that during the year 1924 there were several cases of cholera, 11 altogether, of which 6 occurred in Rostov-on-the-Don. The same applies to the plague also—a constant menace to the country in the southeast (the lower Volga steppe) and in Transbaikalia. During 1924 there were three outbreaks of the plague with a few hundred cases, but exclusively in the remotely distant steppe localities of the regions mentioned.

Thus, on the one hand, a distinct betterment of the country's sanitary condition is observable, as indicated by a decreased death rate and the decline of a number of contagious diseases; but on the other hand, there are persistently high figures for those epidemics whose spread is connected with the inadequate sanitary provisions in cities and villages. It is therefore manifest that measures for the improvement of sanitary facilities, the development of water piping systems, sewers, drainage, garbage removal, and in general the protection of the soil, water and air against pollution, now becomes the immediate general and specific task of the sanitary and technical bodies connected with the local and central authorities. The two congresses mentioned at the beginning of this article respond precisely to these tasks. The Water Supply Congresses have been held for thirty years, meeting regularly at intervals of two or three years. The session which closed on May 4 was the second since the war. At these conferences a series of fundamental technical problems have been worked out with regard to the design, construction and exploitation of water supply and sewerage systems, a number of publications have been issued, and various problems in this sphere have been elucidated. The Ninth Congress of Bacteriologists, Epidemologists and Public Health Physicians also has important tasks in this field, such as the struggle against epidemics, sanitary problems in connection with health facilities, and questions with regard to housing and food supply. The program of the session includes for discussion the new methods of fighting infectious diseases attacking children (inoculation to prevent scarlet fever and diphtheria), the struggle against anthrax, hydrophobia, and trachoma, the question of housing sanitation, food supplies, and the struggle against occupational diseases and ailments. The slogan of paying more

attention to the village, has wrought considerable readjustments in the work of these congresses. Questions of rural water supply and housing construction have been brought up for consideration by both conferences.

Under its new living conditions the Soviet Union is steadily improving its situation, and in the realm of sanitation the country has left behind the grievous past and is on the road toward a better future.

The Tajik Soviet Republic

THE newly formed Tajik Autonomous Socialist Soviet Republic is situated in the southeastern part of Central Asia. It is bounded on the south by the Amu-Darya River, which separates the country from Afghanistan, on the east by China, and on the north and west by the Uzbek Socialist Soviet Republic of which it forms a part.

The new autonomous republic has an area of 72,000 square versts and lies in a region traversed by numerous mountain ranges with altitudes rising to 15,000 feet.

For administrative purposes the Tajik Autonomous Socialist Soviet Republic is divided into eight vilayets: Dushembe, Garm, Kulab, Kurgan-Tiubin, Sary-Assiza (part of the former Republic of Bokhara), Ura-Tyube, Penjinkent, and Gorno-Badakhshan (formerly Pamir).

The population totals about 1,100,000. Of these 85 per cent are Tajiks, the rest being Uzbeks, Kirghizes, and Turkomans. The capital and chief center is Dushembe. Before the Revolution the town had about 1,000 houses, almost all built of sun-dried clay brick.

As yet the country has no railway communication with the exterior, and the road Dushembe-Garm-Ferghana (400 versts) is not suited to the transportation of merchandise, but there is a practicable water route for trade via the Amu-Darya River.

Agriculture and live-stock raising are the chief occupations, and there is also some slight home-craft industry. Agriculture is at a low stage of development, only the most primitive methods and the rudest of home-made implements being employed. The principal crops are wheat, barley, sesame, and cotton. The cotton harvest amounted to 400,000 poods in 1915, but production has been reduced to a minimum since the civil war. The fields are mostly unirrigated. Irrigated land is highly prized, the price having gone as high as 150 gold rubles per dessiatin before the war. The sown area has shrunk greatly due to the neglect of the irrigation canals, the heavy loss of draft animals, and the wearing out of agricultural implements.

The Tajik territory is rich in valuable mineral resources, which have been virtually untouched

until recently. There are placer gold mines along several of the rivers and there is a gold lode in the region of the Sauk-Sou River. At present these are being worked by primitive methods. In certain localities there are deposits of hematite, limonite, and magnetic iron ores. Along the river Ravnou coal deposits from one half to four arshins thick crop out to the surface in many places. The country also possesses oil, sulphur, alum, and salt.

Formerly products worth about 6,000,000 gold rubles were annually exported from the area now constituting the Tajik Autonomous Republic. Cotton, flax, walnuts, pistachio nuts, raw hides, animal casings, and silk fabrics were the main export items. Of late years this export trade has fallen sharply. The people of this region require imports of manufactured goods, such as textiles, iron, glass, crockery, kerosene, shoes, agricultural implements, and building materials.

As the former government of the Emir never troubled itself about public education, the inhabitants are almost all illiterate, not more than 1 per cent knowing how to read and write. A system of schools is now being established, and a printing plant has been set up.

The new administration, which began to function in February, is confronted with colossal tasks owing to the country's economic disruption, the educational backwardness of the people, the collapse of trade, and the lack of means of communication.

Foreign Relations of the U. S. S. R.

IN his speech on the Soviet Union's foreign policy at the Third Federal Congress of Soviets on May 17, which the "Russian Review" is unable to reproduce in full on account of lack of space Mr. Tchitcherin, People's Commissar for Foreign Affairs, made the following statements:

"The fundamental content of our foreign policy, its primary postulate and its foremost requirement, is its profound aspiration for peace, its deep-seated peace character. It is the aim of our policy to preserve peace, to create firmer peace relations and to cooperate in the consolidation of universal peace. This is the basis of our international policy and it is bound up both with the general foundations of our national structure and with quite a number of fundamental factors in the political situation. The toiling masses want peace, and not alone our toiling masses in the Soviet Union, but the toiling masses of the whole world."

"At the present time the paramount object of our domestic policy is the reconstruction of the country's economic life."

"Our policy, with the maintenance of peace and collaboration in universal peace as its essential

aspirations, is a defensive policy, which through all its arrangements, efforts and acts pursues the goal of guarding or preparing to guard our territories, our frontiers, our shores and those sea routes which lead to our coasts.

"When, for instance, we insist upon the closure of the Straits to war vessels (something upon which we shall continue to insist), it is our aim, in a general way, to cooperate in universal peace, since the arenas in which there is a possibility of warfare and of military conflicts in the event of war, are thereby restricted; in the second place, the burden of armaments is diminished; and, in the third place, the safety of our shores is enhanced.

"If, therefore, we consider each individual point of our international policy, we see that it is constantly connected with these aims of preserving peace, collaborating in universal peace, cooperating in disarmament, diminishing the war burdens, and increasing the safety of our frontiers and coasts."

"Meanwhile it is just this fundamental feature of our policy, its peace character, which is above all being submitted to distorted interpretations on the part of our adversaries and which is the object of the orgies of calumny that we are now witnessing."

"Precisely at this juncture there occurred a minor episode which led to a new intensified campaign against us, to an accusation that we are striving to disrupt the peace and evoke universal disturbance. A conference convoked by the League of Nations was held at Geneva to regulate international traffic in arms. We refused to participate in this conference for reasons which must be clear to everybody. However, all our motives are being misrepresented."

"Another fact of recent days, we might say of yesterday, which serves as the theme for violent attacks upon us is the national reorganization of Central Asia. The circumstance that constituent and autonomous republics, created along national lines, have arisen in Central Asia has served the press antagonistic to us as the occasion for bringing up against us the accusation that these republics are to act as the point of departure and support for annexionist aspirations with respect to neighboring nations. Yesterday an extract from an article in "The Times" was published here, wherein the idea was set forth in detail that these new republics must have as their object attacks upon neighbors or the annexation of certain adjoining territories.

"This is another illustration of the fact that actions of ours whose aim it is to regulate and stabilize relations, to create more intimate and more peaceable relations, are falsely interpreted by our foes into the contrary design and become the pretext for aspersions against us and for the charge

that we have aggressive and annexionist tendencies.

"In view of these onslaughts by our opponents, I must declare in the most categorical manner that these accusations are lies and slanders. The new republics which have been created in Central Asia have, on the contrary, the object of bringing about more regular, more stable, and therefore, also more peaceful relations.

"No one has in view, even in the slightest degree, the utilization of these republics for any annexionist tendencies with respect to neighboring states. Just the opposite: the more stabilized the relations of our Union become, the more easily and the more firmly we shall establish peace relations with neighboring nations, so that as a result of the demarcation of nationalities which reached its completion here yesterday, our relations with neighboring states in Asia will become more solid and more pacific.

"Well-nigh the principal theme of our adversaries in their accusations that we are everywhere striving to kindle the torch of war and to introduce all manner of disturbance, is based upon events in the Balkans. And here we must once again declare that we are in no way interested in the Balkans in a higher degree than in any other land on the globe. We are interested in having peace relations develop on the basis of the self-determination of peoples and on the basis of the delimitation of nationalities. We are satisfied whenever the strengthening of any political relations is effected on the ground of the self-determination of peoples. But we have nothing to do with any aggressive aims, with any introduction and development of disturbances with regard to the Balkans or any other nations. That is also a calumny which we must here brand in the most decisive fashion."

Soviet-Polish Railway Convention

On May 7 Mr. Voikov, Diplomatic Representative of the U. S. S. R. in Poland, and Mr. Skrzynski, Polish Minister for Foreign Affairs, exchanged ratification notes covering the Railway Convention between the Soviet Union and Poland.

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Cultural Life in the Soviet Union

Struggle Against Illiteracy Among Non-Russian Nationalities

THE elimination of illiteracy among the non-Russian nationalities within the Soviet Union is a matter of extreme importance and occupies a prominent place in the program of the All-Russian Extraordinary Commission for the Liquidation of Illiteracy. The work of stamping out illiteracy in this sphere, however, is complicated by quite a number of circumstances. The Russification policy of the former autocratic government, which prohibited schools conducted in the native tongues, the scornful attitude towards all the other nationalities within the Russian Empire, and the many restrictions imposed upon them had the following as their chief consequences: (1) a small number of non-Russian intellectuals, educated in Russian institutions and altogether cut off from their native people, so that there are now very few educated persons who might carry on among them the campaign for the elimination of illiteracy; (2) in these languages not only is the educational material needed to teach adults lacking, but often there are even no children's textbooks; (3) some of these nationalities have hitherto had no writing system of their own and only of late have steps been taken for the construction of alphabets, without which it is impossible to think of publishing primers in these tongues. This situation forced the Commission for the Liquidation of Illiteracy in the formulation of its plan for the elimination of illiteracy among the non-Russian nationalities to devote its attention during the initial years mainly to the preparation of educational apparatus and teachers, so that a widespread campaign might be conducted during the ensuing years (the school years 1925-26 and 1926-27).

Nevertheless, a certain amount of immediate work with illiterates was begun as far back as the scholastic year 1923-24. This consisted in the introduction of educational centers for illiterates

and training schools in those localities which are populated mainly by non-Russian nationalities. Thus, during the scholastic year 1923-24 a total of 3,033 educational centers for illiterates, in languages other than Russian, were included in the system for stamping out illiteracy, while 178 schools for training teachers to combat illiteracy in non-Russian tongues were also added, there being one or two educational centers for illiterates per county ("volost") and one training school per province for each nationality. In the autonomous areas it was planned to have the entire system of illiteracy liquidation in the local languages. In addition, a network of 1,639 centers for fighting illiteracy was organized in the Autonomous Republics, 1,392 of these centers and 40 training schools for teachers being in the local tongues, while the remainder were in the Russian language. In the illiteracy liquidation system for the year 1923-24 no centers were included for the western non-Russian nationalities for the reason that the percentage of illiteracy among them is not high and no instruction material has been prepared for adults. The centers that were opened had to be supplied with primers and similar material. Since most of the nationalities had no material which would fit in with the demands of the methods advocated, it was necessary to disregard this requirement temporarily and to supply the educational centers for fighting illiteracy with the apparatus that was available, even though it was made up according to antiquated methods. Thus, primers were purchased in the Mari, Chuvash, Zyrian, Votyak, Ukrainian, White Russian, Esthonian and Polish languages, and primers were published in the Tatar tongue. These primers totaled 59,925. Of this quantity 44,995 primers have already been distributed to the various localities.

The Commission has succeeded in working out a detailed yearly campaign plan for each nationality in the U. S. S. R. in conformity with which it has laid out a program for the necessary instruction material.

Nationalities	1923-24	To be taught in the course of the years:		
		1924-25	1925-26	1926-27
Votyaks	5,750	46,800	187,200	134,470
Komi (Zyrians)	6,400	34,250	137,000	102,350
Mari	5,900	34,250	137,000	107,850
Mordvinians	2,800	71,550	286,200	214,000
Chuvashes	10,800	59,750	239,000	180,790
Tatars-Bashkirs	15,300	283,200	1,132,800	843,700
Kalmucks	—	8,900	35,400	27,200
White Russians	3,200	43,850	173,400	130,050
Jews	2,000	34,750	139,000	104,250
Letts	500	6,150	24,600	18,750
Germans	—	34,350	137,400	95,250
Poles	700	86,250	345,000	258,050
Esthonians	750	13,150	52,600	39,800
Armenians	—	10,000	40,000	30,000
Total	54,100	766,700	3,066,110	2,231,310

The problem of training new pedagogical forces for the national minorities arose in all its urgency from the very first days of the November Revolution.

The available teaching staff was not only extremely inadequate, but for the most part it was also unfitted for the new schools. The creation of pedagogical training courses accordingly became at once a pressing task of the liberated nationalities.

However, during the initial period of the Soviet regime, when all the regions inhabited by non-Russian nationalities were the scenes of civil war, it was difficult to speak of any systematic development of institutions for the training of teachers. Pedagogical institutions arose in a spontaneous uncoordinated fashion, chiefly in the form of short courses, conferences and congresses without the guidance of the People's Commissariat for Education. According to very incomplete data the number of pedagogical institutions, exclusive of short courses, among the eastern nationalities rose to 27 between the years 1917 and 1920, distributed as follows: Mari—7; Chuvashes—7, including the Institute of Public Education, founded in 1868; Votyaks—4; Tatars—7; and Mordvinians—2.

During the famine years and the early period of the new economic policy, despite the decrease in the general educational system, the number of pedagogical schools increased steadily, although the process of growth went forward at a slower rate. This serves as a striking indication of the need for qualified teaching personnel which was felt by all the non-Russian nationalities.

The following table shows the number of pedagogical training schools for the various nationalities in the Soviet Union:

In Provinces and Autonomous Areas of Soviet Russia Proper

Nationalities	Number of Pedagogical Institutions
Russians	126
Ukrainians	2
Poles	1
Jews	1*
Tatars	7
Chuvashes	4
Circassians	1
Mari	5
Mordvinians	4
Komi (Zyrians)	2
Esthonians	1
Finns	1
Kalmucks	1
Letts	1
Germans	1
Votyaks	4
Total	162

*In addition there are 7 institutions in autonomous and constituent Soviet Republics.

Out of this total there are 36 institutions among non-Russian nationalities; six of these represent pedagogical institutions of a higher type.

In Constituent and Autonomous Republics, and Siberia

Republics	Number of Pedagogical Institutions
Bashkiria	10
White-Russia	6
Kirghizia	12
Transcaucasian Federation	No Information
Tatar Republic	No Information
Turkestan	3
Crimea	2
Ukraine	69
Daghestan	1
Siberia	8
Total	112

As compared with the data for the period from 1917 to 1920, the number of pedagogical institutions possessed by the non-Russian nationalities within the limits of Soviet Russia proper increased by 10.

The number of pedagogical establishments as compared with the population figures of the various nationalities is shown in the table below:

Nationality	Population	Number of Pedagogical Institutions	One Pedagogical Institution per
I Soviet Russia proper:			
Russians	67,565,719	125	620,060
Ukrainians	4,010,324	2	2,005,162
Poles	349,545	3	155,538
Jews	1,838,448	1*	378,183
Tatars	2,859,790	7	409,563
Chuvashes	1,144,807	4	286,202
Mari	398,490	5	79,698
Mordvinians	1,154,370	4	288,592
Komi (Zyrians) ..	187,247	2	93,624
Esthonians	144,692	1	144,692
Kalmucks	139,970	1	139,970
Letts	170,855	1	170,855
Germans	1,197,251	2	598,625
Votyaks	413,449	4	103,383
II Siberia			
		8	—
III Autonomous and Constituent Republics about which information is available:			
Bashkiria	1,402,269	10	140,227
White Russia...	1,531,270	6**	255,212
Kirghizia	5,104,753	12	425,480
Turkestan	7,201,551	3	2,400,514
Crimea	—	2	—
Ukraine	26,023,945	69	377,160

*As there are, in addition, 7 Jewish pedagogical institutions in the autonomous and constituent republics, the calculation in this table was established by dividing the total figure of the Jewish population in the U. S. S. R. by the total number of Jewish pedagogical institutions.

**Among these two are Jewish.

The Mari are accordingly best supplied with pedagogical training schools (1 for each 79,598 inhabitants), followed by the Komi with 1 training school for each 93,624 inhabitants. Then come in order the Kalmuks, Bashkirs, Esthonians, Poles, and Chuvashes. The poorest in training schools are the Kirghizes, the Tatars, the Jews, the Mordvinians, and the White Russians. In the number of pedagogical institutions there is no difference between the eastern and western nationalities. The distinction rests only in the internal organization, all the more so because among four of the western nationalities the pedagogical training schools are of an advanced type conducted with State supplies.

The total number of students in the pedagogical training schools for national minorities in the Russian Socialist Federated Soviet Republic (Soviet Russia proper) is 5,200. According to the calculations of the Council of National Minorities the number of new teachers graduated in 1924 did not exceed 180. In 1925 the number turned out is expected to reach approximately 400.

Scientific Institutions, Learned Societies and Museums

THE following concludes the list of scientific institutions, museums and similar establishments started in the previous issue of the "Russian Review:"

Scientific Libraries

- The State Public Library "Lenin" together with the Institute of Library Knowledge, Moscow.
- The Library of the State Historical Museum, Moscow.
- The Library of the State Polytechnical Museum and of the Society of Students of Natural Science, Anthropology, and Geography, Moscow.
- The Basic Library of the Chief Science Administration, together with a Book Distributing Branch, Moscow.
- The Library of the Society of the Explorers of Nature, Moscow.
- The State Library for Public Education, Moscow.
- The State Public Library at Leningrad, together with the Library of Universal Literature and of the Uritsky Palace, Leningrad.
- The Book Fund, Leningrad.
- The Library of Foreign Literature, Moscow.
- The State Theatrical Library, at the Academic Little Theatre, Moscow.
- The State Central Book Chamber, Moscow.

Scientific Societies

MOSCOW

- The Central Bureau of Regional Knowledge.
- The Society of the Explorers of Nature at the First Moscow State University.
- The Association of Physicists.
- The Protistological Society.
- The Mathematical Society.
- The Society of the Students of Nature, Anthropology, and Ethnography.

LENINGRAD

- The Leningrad Society of the Explorers of Nature.
- The State Physico-Chemical Society.
- The Society of the Students of World Knowledge.

- The State Mineralogical Society.
- The State Palaeontological Society.
- The State Botanical Society.
- The State Entomological Society.
- The State Geographical Society.
- The Marxist Society.

PROVINCIAL

- Departments and Sub-Departments of the State Geographical Society.
- The Eastern Siberia Department, Irkutsk.
- The Krasnoyarsk Sub-Department.
- The Western Siberia Department.
- The Altai Sub-Department, Barnaul.
- The Semipalatinsk Sub-Department.
- The Pre-Amur Department, Khabarovsk.
- The Troitskosavsk-Kiakhta Sub-Department, Troitskosavsk.
- The Vladivostok Sub-Department (The Society for the Study of the Amur Region).
- The South Ussurisk Sub-Department, Nikolsk-Ussurisk.
- The Trans-Baikal Department, Chita.
- The Yakutsk Department.
- The Orenburg Department, Yalma-Ata.

Regional Societies

THE NORTH-WESTERN REGION

- The Pskov Society for the Study of the Local Region.

THE NORTH-EASTERN REGION

- The Society for the Study of the Archangel Region, Archangel.
- The Society for the Study of the Northern Region, Vologda.
- The Society for the Study of the Northern Dvina Province, V. Ustyug.

THE WESTERN REGION

- The Society for the Study of the Smolensk Region, entitled "Przevalsky," Smolensk.
- The Central Industrial Region.
- The Kostroma Scientific Society for the Study of the Local Region.
- The Society of the Investigators of the Ryazan Region, Ryazan.
- The Yaroslav Physico-Historical and Regional Knowledge Society.
- The Rybinsk Scientific Society.
- The Vladimir Provincial Society for the Study of the Local Region.
- The Society for the Study of the Tver Region, Tver.
- The Society for the Study of the Ivanovo-Voznesensk Region, Ivanovo-Voznesensk.

THE URALS REGION

- The Urals Society of Students of Natural Science, Sverdlovsk.

THE MID-VOLGA REGION

- The Samara Society of Archaeology, History, and Ethnography.
- The Pensa Society of Students of Natural Science and Regional Knowledge.
- The Kazan Society of History, Archaeology, and Ethnography at the Kazan University.
- The Society of Naturalists at the Kazan University.

THE SOUTH-EASTERN REGION

- The Lower Volga Scientific Society of Regional Knowledge, Saratov.
- The Saratov Society of Naturalists and Lovers of Nature.

THE CENTRAL BLACK EARTH REGION

The Tambov Society of the Study of Nature and of the Culture of the Locality.

SIBERIA

The Society of the Study of the Local Region at the Tobolsk Museum.

The Tiumen Scientific Society for the Study of the Local Region.

The Society of Naturalists and Physicians at the Tomsk University.

THE CRIMEA

The Crimean Society of Naturalists and Nature Lovers, Simferopol.

THE CAUCASUS

The North Caucasian Institute of Regional Knowledge, Vladikavkaz.

Museums and Monuments

Moscow

The State Historical Museum and its Departments:

(a) The War Historical Museum; (b) The Museum of the Forties; (c) The Borodino Museum and Monuments; (d) The Kutuzov Izba (Cottage).

The Armorial Institute and its Departments: (a) The Monuments of the Kremlin and of the Attic in the Great Kremlin Palace; (b) The Boyar House of the Seventeenth Century; (c) The Porcelain Museum; (d) The Toys Museum.

The State Museum of Fine Arts: (a) The First Department of the Museum of Neo-Western Painting; (b) The Second Department of the Museum of Neo-Western Painting; (c) The Museum of Oriental Civilizations.

The State Tretyakov Gallery and its Departments: (a) The Tavetkov Gallery; (b) The Branch in the Rogozhsko-Simonovsky District; (c) The Museum of Ikonography and Painting; (d) The Museum of Pictorial Culture.

The State Central Museum of Ethnology (the former Branch of Ethnography of the Rumyantsev Museum.)

The Darwin Museum.

The State Museum of the Central Industrial Region and its Department in the town of Dmitrov.

The Association of Memorial Museums: (a) The Tolstoy Museum, and its Branches, Tolstoy House, and the Estate of L. N. Tolstoy "Yasnaya Polyana," in the Province of Tula; (b) The Scriabin Museum; (c) The Tchaikovsky Museum.

The State Theatrical Museum entitled "A. Bakhrushin." The Neskuchny Palace (Furniture Museum).

The State Historico-Art Museum at Sergiev.

The State Historico-Art and Regional Knowledge Museum at Voskresensk.

The State Historico-Art and Regional Knowledge Museum at Zvenigorod.

The Administration of State Museum-Estates and Museum-monasteries: (a) The Museum of the Palace of the "Kuskovo" Estate; (b) The Museum of the Palace of the "Ostankino" Estate; (c) The Museum of the "Nikolsko-Urynino" Estate; (d) The Museum of the "Arkhangelskoe" Estate; (e) The Museum of the "Olгово" Estate; (f) The Museum of the "Pokrovskoye-Streshnevo" Estate; (g) The Museum of the "Abramtsevo" Estate, named after the author, A. S. Aksakov; (h) The Museum of the "Muranovo" Estate, named after the poet Tyutchev; (i) The Museum of the "Ostafyevo" Estate (the Museum of Poets and Authors); (j) The "Pushkin Corner" Museum (Opotchka); (k) The Chekhov Museum at Yalta; (l) The "Donskoi Monastery" Museum; (m) The "Novodyevichi Monastery" Museum; (n) The "Simonov Monastery"

Museum; (o) The "Rogozhsky Churchyard" Museum; (p) The "Yosifo-Volokolamsky Monastery" Museum; (q) The "Alexandrovsky Monastery" Museum; (r) The "Borovsky Monastery" Museum; (s) The "Optina Hermitage" Museum; (t) The "Pokrovsky Cathedral" (Vasili Blazheny) Museum and its Branches in the Kolomensky and Dyakovo villages, and the Church of Georgia; (u) The Palace Museums of the Crimea (at Livadia, Alupka, and Kokoza).

LENINGRAD, CITY AND PROVINCE

The State Hermitage and the Historical Chambers of the Winter Palace and its Departments: (a) The former Stroganovsky House; (b) The Museum of Decorative Art (formerly Stieglitz); (c) The former Museums of Equerries.

The State Russian Museum and its Departments: (a) The Menshikov Museum; (b) The Petrovsky Palace in the Summer Garden.

The State Museum of the Revolution.

The State Geographical Museum

The Museum of Agriculture and its Department "Zhivoi Musei."

The Administration of Palaces, Museums and Estates:

(a) The Elaginsky Palace; (b) The Ekaterinhovskiy Palace; (c) The Museum formerly Sheremetev; (d) The Museum-Palace of Gatchina; (e) The Museum-Palace of "Detskoye Selo"; (f) The Museum-Palace of Oranienbaum; (g) The Peterhof Museum Palaces; (h) The Pavlovskiy Palace; (i) The St. Isaac's Cathedral; (j) The Petro-Pavlovskiy Cathedral; (k) The Museum-Estate "Vybiti"; (l) The Museum-Estate "Gruzino"; (m) The Museum-Estate "Marino."

THE PROVINCES

The Vladimir State District Museum and its Departments at Suzdal and at Pereyaslavl-Zalesk.

The Voronezh Historico-Cultural Museum.

The Vyatka State District Museum.

The Kaluga State District Museum.

The Kostroma State District Museum.

The Novgorod State Historico-Archaeological Museum and its Department at the Nikonovskiy Monastery in the town of Valdai.

The Penza State District Museum.

The Ryazan State District Museum and its Department in the town of Zarayik.

The Saratov State District Museum and its Departments, The Radishevskiy Museum and the Chernyshevskiy Museum.

The Ulyanov District Ulyanovskiy Museum and the House of V. I. Lenin.

The Tver Historico-Archaeological Museum and its Departments at Staritsa, Kalyazin, Rzhev, and Kashin.

Urals District: The Sverdlovsk District Museum and its Departments at Shadrinsk, and the Perm District Museum at Perm.

Yaroslav Province: The Yaroslav State District Museum and the Rostov Museum of Antiquities.

The Archangel Northern Region Museum.

The Astrakhan Picture Gallery.

The Vologda State District Museum and the little House of Peter I.

The Gomel Historico-Art Museum.

Don District: The Rostov-on-Don State Don District Museum and its Department at Novocheerkassk; The Vladikavkaz State Science Museum.

The State Kuban and Black Sea District Museum at Krasnodar, and its Departments: The Local Museum at Maikop, the Historico-Art Museum at Novorossiisk and the Local Museum at Taman.

The Nizhni-Novgorod State District Historico-Art Museum.
 The Orel State District Museum.
 The Pskov State District Museum.
 The Samara State District Museum.
 The Smolensk State District Museum and its Department at Dorogobuzh.
 Siberia: The Yeniseisk Natural History and Historico-Cultural Museum; The Omsk West Siberian Regional Museum; the Irkutsk State District Museum; the Krasnoyarsk State Museum; the Minusinsk State Museum named Martyanov; the State Museum of Northern Tobolsk.
 Crimea: The Khersones Museum and the Excavation Locality and its Departments: The Historical Museum at Sevastopol, the House of L. N. Tolstoy at Sevastopol, and the Historical Museum at Kerch and the Excavation Locality.
 The Far Eastern Region: The Chita State District Museum named Kuznetsov, the Vladivostok State District Museum, and the Khabarovsk State Natural History Museum.

AUXILIARY INSTITUTIONS

The Moscow Depository of the State Museum Fund and its Departments: (a) Architectural; (b) Historico-Memorial Material (Chekhov and his contemporaries).
 The Leningrad Depository of the State Museum Fund and its Departments: (a) The Mikhailov Palace; (b) The House of Yusupov; (c) the House of Bobrinsky; (d) the House of Shuvalov; (e) the Intendant's Museum and (f) the former Suvorovsky Museum.
 The Central State Restoration Workshops in Moscow and the Department at Yaroslavl.
 The Leningrad State Restoration Workshop.

The Department of Arts

Moscow

The State Academy of Fine Arts.
 The State Institute of Music.
 The Collection of Musical Stringed Instruments.

LENINGRAD

The State Institute of the History of Art.
 The State Academic Choral Chapel.
 The Institute of Art Culture.
 The Decorative Institute at the Leningrad Higher Art Workshops.
 The Scientific Laboratory of Smalt and Enamel.

The Department for the Protection of Objects of Nature

The Astrakhan State Preserve.
 The Kosinsky State Preserve.
 The Crimea State Preserve.
 The Caucasus Auerochs (Kuban) Preserve.
 The Penza State Preserve.
 The Ilmsky Mineralogical Preserve.

Motion Picture Theaters in the U. S. S. R.

Motion pictures are gaining a huge clientele in Russia. Three large firms and several smaller ones are busy producing pictures to meet the demand. Moskvina, the star of the Moscow Art Theatre in its recent American tour, has taken to the silver screen, and a film version of Pushkin's "Station Master," in which he has the principal role, will shortly be released. Plans are also under way to place on the screen the complex and interesting picture of Jewish life, "Menakhem

Mendel," by the late Sholem Aleichem, known in New York's East Side as the Jewish Mark Twain.

Other film plays in preparation include "The Empress's Conspiracy," based upon a play by Tolstoy, Dostoyevsky's "Eternal Husband," and a great mass picture based on the legend of Stenka Razin, the peasant outlaw-hero of the seventeenth century.

The Soviet film industry is importing many European novelties and is also exporting films, mostly comedies and pictures molded about gigantic industrial machinery and scientific inventions—to the principal European countries. Some of the titles of the exports are: "Unusual Adventures of Mr. West in the Land of the Bolsheviks," "The Home-Made Cigarette Case," "The Steel Cranes" and "The Death Ray."

Moscow Theaters on Tour

The famous Jewish Habimah Theatre of Moscow will present its repertoire in New York, Chicago, Philadelphia, and Boston next winter. The plays will include "The Wandering Jew" by Pinsky, "Dibuk" by Ansky, "The Golem" by Levik, and "Jacob's Dream," which has not been produced in Moscow. The company will be headed by N. L. Tsemal, founder and leader of the Habimah Theatre. The plays are given in Hebrew.

The Habima company will leave Russia in August and will tour the principal cities in Poland, Germany, Czecho-Slovakia, Holland, France and England before starting for the United States.

The Moscow Kamerny (Chamber) Theatre, the modernistic rival of the Moscow Art Theatre, has started on its tour of German cities with a repertoire including such diverse offerings as "Pierrette's Veil," "Salome," "Adrienne Lecouvreur," "Girofle-Girofla," "The Tempest," and Shaw's "Saint Joan," which made a big hit in Moscow during the recent season.

PAMPHLETS

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The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

Miscellaneous News

Cotton Area for 1925

In the beginning of March the Federal Soviet Cotton Conference fixed the cotton area—for 1925—for all the Republics in the Soviet Union at 560,000 dessiatins, of which 393,000 were to be planted in the Uzbek Republic, 106,000 in the Transcaucasian Republics, and 61,000 in the Turkoman Republic.

This total represents an increase of 115,000 dessiatins, or somewhat more than 25 per cent, above the aggregate of 445,000 dessiatins planted in 1924. The maximum cotton area before the war was 780,000 dessiatins, so that the program for 1925 is equal to 72 per cent of the largest pre-war plantings. Taking into account the possibility of a higher yield per dessiatin, the total unginned cotton crop forecast for the 1925-26 season will amount to approximately 33,000,000 poods, which will give 9,652,000 poods of ginned cotton.

International Motor Trials in the Soviet Union

The committee created by the Moscow Automobile Club to make arrangements for the international motor car trial run from Leningrad via Moscow to Transcaucasia has definitely decided upon the route, which has been somewhat shortened as compared with the original proposal. The run from Tiflis to Poti and through several points on the Black-Sea coast has been eliminated from the route, which is now fixed to begin at Leningrad and end at Tiflis.

The Commissariat for Foreign Trade has informed the committee that it has decided to permit the duty-free importation of 70 passenger automobiles and 20 motor trucks for participation in the trials. Simultaneously with the passenger car trials from Leningrad to Tiflis a trial run for motor trucks will be held from Leningrad to Kharkov. Altogether 120 machines will take part in the two trials.

Completion of Black Sea Railway

The Financial Control Committee of the People's Commissariat for Finances has appropriated for the second half of the fiscal year 1924-25 the sum of 1,425,000 gold rubles to complete the southern section (Akhali-Sonaki-Sukhum) of the Black Sea Railway line and to carry out preliminary work on the Sukhum-Zugdidi section. The full cost of completing the southern section of the Black Sea railroad is calculated by the People's Commissariat for Finances at 9,000,000 gold rubles.

Production of Railway Brakes

The demand for brakes on the part of the Soviet railway system is being filled by the Moscow Brake Factory, which was established before the war and operated concurrently with the Yaroslav factory of the Westinghouse Company.

At the present time the Moscow Brake Factory is turning out brakes constructed on systems different from that of the Westinghouse type and, in particular, on the system of the Soviet inventor, Kazantsev, whose device gave good results when recently tested on Soviet railways.

Changes in General Regulations for Hiring Labor in the R. S. F. S. R.

On the basis of a resolution adopted on January 2, 1925, by the Central Executive Committee and the Council of People's Commissars of the Soviet Union, the All-Russian Central Executive Committee and the Council of People's Commissars of the Russian Socialist Federated Soviet Republics (Soviet Russia proper) decreed to annul the obligatory system of hiring and offering labor through the organs of the People's Commissariat for Labor as provided in Articles 5 to 10 of the Code of Labor Laws. The hiring of labor, as well as the acceptance of work, may now be effected either with or without the labor exchanges in the case of all enterprises, institutions, farms (State, public, and private) and individual employers. For statistical purposes employers are obliged to furnish information concerning the engagement of hired labor.

Society of Friends of the Air Fleet

On April 6, 1925, the Society of Friends of the Air Fleet completed the second year of its existence.

Of the 6,000,000 gold rubles at the disposal of this organization 2,000,000 have been devoted to the construction of 87 airplanes. The Society has equipped 13 aerodromes and 29 aviation fields. The association is also carrying on a great deal of educational work. It has opened 14 courses, has 12 large clubs, 400 libraries, and has organized sporting groups, etc.

Chervonets Quoted in Constantinople

On April 29 the Soviet Chervonets began to be quoted on the Constantinople Exchange. The opening rate was 9.70 Turkish Lire per Chervonets.

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Official Report on Soviet Industry
Financial Situation of the Soviet Union
War Commissar on Red Army
Administrative Structure of the U.S.S.R.
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Higher Educational Institutions in Russia

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Situation of Soviet Industry

(At the May 15 session of the Third Federal Congress of Soviets held in Moscow, Mr. Djerzhinsky, Chairman of the Supreme Council of National Economy, submitted a report on the situation of Soviet industry. The following is a translation of the most important passages of the report.)

THE first thing to strike the eye is the intense industrial growth which began with the second half of last year and increased during the first half of the current fiscal year. The advance for this half year, as compared with the previous year, amounts to over 50 per cent and the total volume in March, as compared with the same month of the year 1912, had reached 70 per cent. This growth was not of a spontaneous character, notwithstanding the fact that it exceeded our plans. It was the result of the planning policy of our Government and of our Party—primarily the policy of reducing prices on industrial products and the struggle against the so-called economic “scissors” (i. e., the gap between the price ranges of agricultural products and industrial goods).

The policy of price reduction, which evoked a steadily increasing demand for industrial products together with the ability to pay, was pursued with unabated energy despite the fact that in almost all articles and branches of industry the demand outran the supply. Thus we followed with complete awareness a policy which for other countries might appear incredible and in contradiction to the immutable capitalistic laws of supply and demand.

This policy was pursued simultaneously with the struggle for a stable Soviet currency, for the execution and consolidation of the monetary reform, and for the elevation of the purchasing power of the chervonets.

A Period of Merchandise Scarcity

The characteristic feature of our economy and industry is the fact that the growth of our industry, while bringing about a revival of all the main branches of the country's economic life, forces this advance to proceed at a rate much faster than that of industry itself. This is clearly a result of the circumstance that we are living in a period of so-called goods “famine.” No matter how high the level attained by our industry, it is still below the level of the requirements and paying capacity of our entire national economy.

Industry and Agriculture

An examination of agricultural progress as compared with industrial expansion shows that during

the past three years agriculture increased only 2 per cent up to 72 per cent of the pre-war volume from the level of 70 per cent attained in 1921-22.

The weakness of industry retarded the growth of agricultural economy, and we see that an appropriate development of industry is indispensable to the agricultural expansion which would correspond to the possibilities of an agricultural country, such as our Union of Socialist Soviet Republics essentially is.

During these three years our industry has grown as follows: in 1921-22 it constituted 23 per cent of the pre-war volume; in 1922-23 it stood at 31.7 per cent; and in 1923-24 at 40 per cent. If we add the growth which has occurred during the first half of the current fiscal year, we shall see that the level of industrial development, in percentage ratio as compared with the pre-war period, has attained the same height as our entire agricultural economy.

Further Development of Agriculture and Transportation Dependent upon Industrial Development

At the present rate of national economic development our supply of freight cars and locomotives will become insufficient in the next few years. In order that it may not be necessary to import locomotives again, our metal industry, our locomotive and car-building plants, must meet the full requirements of our transportation system.

The same situation applies to agriculture. If we compare the average crop yield per unit of cultivated land with that of other countries, we observe that our medium farm requires many dessiatins, whereas in Belgium and Holland an income of several thousand rubles is derived from two or three dessiatins. Our farming is done without sufficient application of mineral fertilizers, which our industry is and should be turning out, without adequate utilization of agricultural implements and machines, without the application of mechanical power and electricity; and without all this it is impossible to raise the productivity of the land to the level of which it is capable.

In this connection we observe in the rural regions an enormous amount of overpopulation, so termed. The increase of population per 100 dessiatins of arable land was as follows: in the West-

ern region the population per 100 dessiatins was 71 in 1923 as against 56 in 1916; in the northwest it was 45 in 1923 as compared with 40 in 1916; in the central industrial region 70 in 1923 as against 61 in 1916; and in the Ukraine 74 in 1923 as compared with 65 in 1916.

Therefore, in order that the entire increasing population may be able to support itself, it is necessary above all to intensify the development of technical crops, something that is possible only with the expansion of our industries.

Approaching Pre-War Standards

We are now approaching the pre-war levels in our development. This year's advance of 50 per cent by industry as compared with the previous year and the attainment of 70 per cent of the pre-war volume indicate that we shall equal the pre-war volume within one to one and a half years. However, the pre-war level cannot suffice for our industry, since, on the one hand, during these years the country's requirements have expanded above what they were before the war, and, on the other hand, we must make up for the terrifically great losses and desolation suffered by our Union during the years of imperialist and civil wars. And our industries will find it extremely difficult and will have to make great efforts to repair that destruction.

According to incomplete calculations the losses caused by intervention to the Soviet Union's industry alone (if we consider the losses which occurred in connection with the stoppage and disorganization of factories and industries) exceed 10,000,000,000 gold rubles. Our industry was not only disrupted, but it was disorganized to its very foundations.

Coal and Oil

It is necessary to dwell separately upon the principal individual branches of industry.

We note that of all the branches of national economy the output of coal and that of petroleum were first whose development reached a maximum level, their expansion proceeding at an impetuous pace.

This year we have also achieved great results in fuel exports. Last year 30,000,000 poods of petroleum were exported, while this year the program calls for the exportation of 85,000,000 poods. And this quantity will be exported. This year for the first time our Donets Basin is exporting about 10,000,000 poods of coal.

Rapid Rise of Metal Industry

The metal industry has issued forth on the arena of progress. It made its debut only toward the end of last year and during the ensuing half year it has developed at an incredibly rapid pace, and this very fact shows that the development of our national economic life is not apparent, but actual and real, since the metal industry is the

branch of national economy which serves all the other branches, industrial as well as agricultural.

In examining the progress of our metal industry we must point out the following fact: three times we established a program and it had to be increased each and every time, so that, having started out with an advance of 40 per cent over the previous year, we are ending up with a rise of 82 to 90 per cent as compared with last year. However, the progressive rate of the development of our entire industry is such that we cannot tell whether we shall not find it necessary toward the end of the year to expand the program of the metal industry a fourth and a fifth time, for we cannot say that the visible demand for metals has been met.

Machine Building

This is particularly evident in the case of agricultural machine construction.

This year, as compared with last, we have a more than twofold increase in the output of agricultural machinery. We are running our factories at 98 per cent of pre-war capacity, i. e., almost up to the limit. Some plants, such, for instance, as the plants of the Ukrainian Agricultural Machinery Trust, are operating 8 per cent above pre-war volume, and still we are not in a position to satisfy the demands of agriculture for farming equipment.

Now, with the further reduction made on April 1 in the prices of agricultural implements, the metal industry will have to make an effort to increase its output for the autumn season. At the same time more than 17,500,000 gold rubles' worth of agricultural machinery will have to be ordered from abroad.

This year we have for the first time organized the production of tractors. The first steps always cost dearly, because it is necessary to learn, and it is necessary to adapt the workers, the technical staff, and the machinery to this new output. For this reason the 1,000 tractors which are to be turned out this year by our tractor factories will cost us dearly. But the high cost of the first and second, and perhaps of the fifth, thousand will render it possible for us to produce the sixth, seventh, eighth and future thousands at a moderate price. We must pay for our instruction, for our independence.

One of the most important questions occupying the Government and the leaders of industry was that of non-ferrous metals. Our requirements in connection with electrification, together with military needs, aggregate 1,500,000 poods this year, while our total production of copper this year is about 450,000 poods. Meanwhile our country has very rich deposits. The problem of increasing the output and smelting of copper is one of the most important questions confronting our industry.

Electrical Industry Passes Pre-War Volume

If we turn to the electrical industry, we find an even swifter expansion than in the metal industry. The programs have also been revised upward several times. This year our electrical industry has already outstripped the pre-war mark, and in spite of this it cannot meet all the requirements, the total demand made upon it.

In 1914 the output of the electrical industry was valued at 62,000,000 gold rubles. This year we had to increase the production program from the initial figure of 44,000,000 gold rubles to 53,000,000 gold rubles and finally to 71,000,000 gold rubles. Here, as in other industrial branches, the question of the necessity of constructing new factories has already come up.

Achievements of the Chemical Industry

In the case of the chemical industry it is necessary to pause upon the heavy chemical branch. The aim of our heavy chemical industry is primarily the production of fertilizers and the elaboration of materials for the struggle against pests.

The work of our Mineral Fertilizer Institute now furnishes hope that by a very inexpensive method it will be possible for us to obtain cheap phosphoric acid from our poor phosphoric ores (phosphorites). The experimental work has already issued from the laboratory to the factory, and there is ground to believe that the problem will be successfully solved within a short time.

It is necessary to devote special attention to the heavy chemical industry, upon which depends the output of mineral fertilizers and the progress of agricultural production.

Speaking of the chemical industry, to which the rubber industry also belongs, I should like to illustrate to you a transformation that took place in a very short time, thanks to a correct guiding policy. When the Government appointed me head of the Supreme Council of National Economy a year ago, my first task was the settlement of a dispute between Moscow and Leningrad as to whether the Rubber Trust plant in Moscow or that in Leningrad should be shut down, since more than 8,000,000 pairs of rubber shoes had piled up in the Rubber Trust's warehouses and it was necessary to reduce production because there was absolutely no market for them. What do we see now? As you know, the prices of rubber shoes were considerably reduced, and in the Triangle factory, where about 5,000 workmen were employed a year ago in February, this year there are 13,000 men at work.

Cotton, Wool, Linen

Last year the textile industry as a whole attained only 44 per cent of the pre-war volume. By the end of the current year we will reach not less than 74 per cent of the pre-war level in the cot-

ton industry, 66 per cent in the woolen industry, and 71 per cent in the linen industry. These advances would be still larger and still faster if we could develop our own cotton growing and sheep raising at a more rapid rate. The condition of our cotton and woolen industry completely depends upon the raw materials. In this sphere very much has been done and very much planned. The growth of the textile industry which we have witnessed has itself been governed by raw materials. The expansion of cotton growing has been as follows: in 1921-22 we had total cotton plantings of only 52,000 dessiatins, whereas this year the cotton area amounts to 561,000 dessiatins, an increase of more than ten times.

As a result of the lack of sufficient domestic grown cotton we have had to import it from abroad. Last year we had to import 4,500,000 poods, and this year about 6,000,000 poods.

Paper

In the paper industry we have attained over 90 per cent of the pre-war output of paper and cardboard. Our plants are working almost at full capacity, and we are face to face with the necessity of building new factories.

The country's paper requirements are very large. This points to the rise of cultural standards and of the people's cultural needs. It is sufficient to cite the following data: in 1913 the total printings of all papers amounted to 3,000,000 copies. On February 1, 1925, they aggregated 7,360,000 copies, i. e., more than twice as many as in 1913. This increase has naturally carried with it the necessity for larger paper imports. Last year 43,000 tons of paper were imported, while this year the total is 105,000 tons, that is, an almost threefold increase.

Restoration of Buildings and Residences

A fundamental branch of our industry, which we cannot but mention, is construction, our building industry. We are just entering upon the restoration of our buildings and dwellings.

Altogether this year we can plan to put up buildings on only 450,000 square sazhen, whereas in pre-war times more than 3,000,000 square sazhen were built up annually, so that our present program is only one seventh of the pre-war level.

According to a fairly approximate estimate, this year it is planned to expend a total of 365,000,000 gold rubles on construction, including railroads and electrification. About 100,000,000 gold rubles of this total will be spent on housing.

Regulation of Industry.

The rapidity of our industrial expansion is attested by the difference between the program set up at the end of last year and the one we are now adopting: in the rubber industry we are to increase the program by 56 per cent; in the elec-

trical industry by 65 per cent; in the match industry by 29 per cent; in the paint and varnish industry by 36 per cent; in the cement industry by 50 per cent; and in the metal industry by 26 to 30 per cent.

In 1923 our production of cotton textiles amounted to only 8 arshins per capita; paper to 2½ pounds per capita; and cast-iron ¼ pood as against 1.7 poods per capita before the war. Therefore, the tasks which confront us with regard to the fulfilment of the country's industrial needs cannot be exhausted by the realization of the immediate possibilities which are opening up before our industries. Our industries must not only reach 100 per cent of the pre-war volume, but they must also advance far beyond that limit.

Role of Home-Craft Industry

The requirements of our population and of our entire national economic life are growing much more rapidly than the expansion possibilities of our industries, especially since in many instances we are already employing all the technical apparatus to full capacity—all the factories and mills and their equipment, since in places the plants are operating at 100 per cent of capacity, and since we must build new factories and install new machinery. In order to meet the needs of our developing country it is accordingly necessary for us to utilize all sources of productive expansion. One of these sources is our home-craft industry.

Situation of Home-Craft Workers

Before the war there were over 4,000,000 home-craft workers in Russia. At the present time they number about 2,130,000 according to the calculations of the Central Statistical Department. Last year the home-craft industry turned out products worth 938,000,000 pre-war rubles. We must devote redoubled attention to this branch of industry, we must lighten its tax burdens. The Presidium of the Central Executive Committee has already adopted a number of measures toward this end. It is also necessary to extend credit assistance in supplying them with the requisite raw materials and semi-manufactured products adapted to the needs of home-craft artisans.

Financial Situation of Industry

I shall now turn to the financial situation of our industry, and I shall begin with the financial results. For 9 months of the year 1923 the State industries, including those limited to individual Republics in scope as well as those of Federal scope, showed a profit of between 85 and 90 million gold rubles. For the fiscal year 1923-24 this profit did not increase, remaining approximately within the same limits, although industry expanded 30 per cent during the year 1923-24 as compared with 1922-23.

The small profits of our State industries are entirely explained by the correct policy of price reduction.

Lower Production Costs

By what means are we reducing prices? By means of a reduction in manufacturing costs. If we compare the average cost of producing goods during the first quarter of 1923-24 with the average for the whole of the year 1923-24, we observe a considerable lowering of production costs for quite a number of articles. The cost of turning out Donets coal was cut down 20½ per cent, the reduction in the case of salt was 26 per cent; in the case of yarn—12 per cent. And if we inquire how these reductions in manufacturing costs were effected, the answer is that they took place through better organization of our economic system, more efficient use and saving of fuel, raw material, instruments, and machinery, and greater economy in the utilization of working time.

What are the financial interrelations between industry and the State budget, the Federal Treasury?

Last year our industries, exclusive of the military branches, received 75,000,000 gold rubles from the Government. This year they have received 102,000,000 gold rubles. At the same time our industries contributed 36,000,000 gold rubles out of their profits last year and 70,000,000 gold rubles this year. Besides this, last year 5,800,000 gold rubles were obtained through credit operations, that is, from the investment of money in interest-bearing securities, and this year 17,700,000 gold rubles were procured in the same manner. If we calculate how much our industry (except the military branches) received from the State Treasury in the final analysis, deducting income accruing to the Treasury from them, we find that last year they obtained 26,500,000 gold rubles and this year 3,900,000 gold rubles, which shows that State disbursements for our industry are steadily diminishing from year to year. Moreover, last year the State Treasury received 250,000,000 gold rubles in direct and indirect taxes on industrial products, and this year it is planned to derive 600,000,000 gold rubles from this source.

Industry is not a burden on our Government. Industry serves as the source from which our State Treasury is enabled to fill its budget, thereby reducing the direct agricultural taxes.

Industrial Credits

It is impossible to develop and expand our industries unless adequate credits are granted by the industries to the consumers, and by the banks to the industries and the consumers of their products.

In this regard we have accomplished a great deal. The total credits advanced to our industries increased from 162,000,000 gold rubles on

October 1, 1923 up to 517,000,000 gold rubles on January 1, 1925, i. e., they grew more than three-fold, advancing by over 350,000,000 gold rubles.

Of these 517,000,000 gold rubles in credits 362,000,000 gold rubles fell to the share of light* industry (mostly to the textile industry), while heavy industry received only 121,000,000. In the realm of our banking development it is necessary to pay attention to the vigorous expansion and rapid growth of the institution specially founded for the financing of industry—the Industrial Bank. Its total resources grew from 87,000,000 gold rubles on October 1, 1923, to 347,000,000 gold rubles on April 1 of the current year. This growth took place independently of State Bank aid, i. e., it did not rest upon bank-note issues, but upon the consolidation of financial economy in industry.

However, these resources cannot suffice for the further development of industry. Pre-war practice showed that joint-stock industrial enterprises usually had 250 rubles of outside capital to every 100 rubles of their own operating capital. In our industries we have, on the one hand, insufficient working capital for the intensification of future development, and, on the other hand, to each 100 rubles of these already inadequate operating resources there is added only 50 rubles of outside capital.

For this reason the problem of increasing industrial credit facilities is a most urgent and fundamental one.

Operating and Fixed Capital

Has our operating capital improved this year? Of course it has. I shall cite one figure: own and outside resources amounted to 1,600,000,000 gold rubles on October 1, 1922, while on October 1 of this year they totaled 1,900,000,000 gold rubles, i. e., our operating capital increased by 300,000,000 gold rubles. This increase was entirely due to larger credits.

I turn to fixed capital. In general it is very difficult to calculate how much fixed capital we have in industry, and the question is a disputed one. We estimate it at approximately 3,000,000,000 gold rubles, as it is hard to decide at what prices to value the structures and their equipment, how much to allow for depreciation, etc. But, no matter at what sum this fixed capital is reckoned, we know one thing definitely, namely, that in its natural magnitude, i. e., according to the number of spindles, lathes, etc., we already have in use more than 65 per cent of the total in our possession. Within another year at the rate

*As "heavy" industries are to be considered coal mining, ore mining, the metal and electrical industry, while all the other industries are considered as "light" industry, with the exception of the building branches (cement and wood working) which are listed separately.

of development now prevailing, which must not be slackened but must, on the contrary, be increased, we shall be utilizing 32 per cent more of our fixed capital or almost the entire 100 per cent.

Expansion of Fixed Capital

Accordingly the question of restoring the fixed industrial capital is already being replaced and supplemented by another problem, the question of enlarging the fixed capital. It is necessary to seek capital for the construction of new lathes, new machines, new equipment, new factories and new mills. With respect to the restoration of old capital quite a great deal has been done and is being done in this direction. We are reconstructing, we are building up more than we are wearing out. The allowances for depreciation for the three past years were as follows: 126,000,000 gold rubles, 138,000,000 gold rubles, and 145,000,000 gold rubles; and the major reconstruction work aggregated 115,000,000 gold rubles, 168,000,000 gold rubles, and 225,000,000 gold rubles for the same years. We see that, especially during the past two years, we have carried out much more major replacement work than was demanded by depreciation.

The question arises as to where the funds are to be obtained not only to restore fixed industrial capital, but also to increase it.

What a Foreign Loan Would Give

Can we ourselves, without a foreign loan, solve the problems which confront us? I think that if such a loan were granted to us, the rate of our economic recovery would be much faster, and we might attain in one to three years the level which we can unaided attain in from five to ten years.

The more our industry and agriculture develop, the larger will be our demands for foreign manufactures and the more raw materials and grain our agriculture will find necessary to export. Our industries will have to import not only equipment, but also finished goods, since, no matter how rapid the rate of our industrial development may be, it can never be as fast as that of our agriculture. A foreign loan, foreign credit, would therefore develop our industrial life faster and would enable us to meet part of our requirements by purchases abroad, by an expansion of our trade turnover with foreign countries.

A Loan not Absolutely Indispensable

But if we are not granted a loan, our Soviet Union has demonstrated how it can create its own internal loans, float them on the domestic market through the People's Commissariat for Finances, and find the required funds at home.

Hand in hand with the improvement in general welfare, with the increase of agricultural production, an accumulation of resources must needs

take place among the peasantry. With the proper organization of credit and financial operations these savings may, by means of the bank-system, lead to the consolidation, intensification and expansion of our industries.

Price Reductions

As regards price reductions on industrial products, our accomplishments have been quite considerable during this period.

Taken by and large, from October 1, 1923, up to April 1 of the current year, the percentage dimensions of these price reductions were as follows: in the metal industry—23 per cent; in the electro-technical industry—14 per cent; in the chemical industry—31 per cent; in the leather industry—40 per cent; in the textile industry as a whole—35 per cent; in the fuel industry—24 per cent; in the paper industry 21 per cent; in the food industry—29 per cent, etc.

As you know, on May 1 the prices of cotton textiles were further reduced by 10 per cent, and on April 1 the prices of agricultural machines were diminished by 9 per cent.

Wages at 78 to 80 Per Cent of Pre-War

As you are aware, in general wages have not yet reached the pre-war standard and are equivalent to about 78 to 80 per cent of their level before the war. In this connection it must be observed that the workers in our basic industrial branches, the miners and metal-workers, are receiving wages below the prevailing average. The metal-workers earn about 64 to 70 per cent of pre-war wages, while the miners get approximately between 53 and 60 per cent. Only in those branches in which there was extreme exploitation before the war, such, for instance, as the light industries, particularly amongst the food and textile workers, have present wages somewhat surpassed the pre-war level.

If we now compare the increase of wages with the growth of labor productivity, we obtain the following data for the period from October, 1922, up to the present time: in 1922-23 wages increased sharply, while labor productivity lagged relatively. Toward April, 1924, labor productivity caught up with wages in its rate of development, and in October of 1924 it had already outstripped wages. During the first half of the current fiscal year the output of the individual worker increased by 26 per cent. And if we take these three half years together, wages increased on the whole by 27 per cent, whereas the output rose by 54 per cent.

Here is the source of the power and success which we have witnessed in the realization of lower prices and in the policy of enlarging our output.

Technical Systematization

Our fundamental task now must be the improvement and systematization of our industrial technology. Only by improving and systematizing the technical equipment of our factories and plants can we make it possible for the workers to increase their productivity in a considerable measure. The wage level which we have now reached is a sacrifice on the part of the working class and cannot be endless. This sacrifice was made in order to create a basis for the possibility of further development, and that basis has now been firmly laid.

Correct Approach to the Technicians

While paying all due attention to technological improvement, it is at the same time necessary for us to devote redoubled attention to the situation and productive role of our technical personnel, in its lower as well as in its higher ranks. During the war years, during the years of sabotage on the part of the technical employees, when the expert personnel had not yet severed its ties with its former masters, our distrustful attitude toward the technicians had its justification and was correct.

Now, in 1925, in the eighth year after the November Revolution, immense changes and a complete overturn have taken place in the composition of the technical personnel, in its psychology, and in its political frame of mind. Our intelligentsia, our technical forces, have seen that our government opens up great prospects for the development of science and that under the Soviet system a firm foundation will be laid for the welfare of the country.

We must create for technological thought, for technological science, and for the technical personnel conditions of a material and social character in which knowledge could find fertile soil for growth, in which it could behold the success of its labors.

And now that we possess such a mighty implement as the participation of the masses in production through the industrial conferences, now that each worker may be a creator through these conferences and may introduce improvements for the welfare of the workers and peasants, the role of the technical personnel doubles and even triples in comparison with what it was formerly. Thus one of our first tasks ought to be a thoughtful attitude towards the technical personnel, as well as continuous encouragement of technical thought.

We have already made some achievements in this field. The Supreme Council of National Economy has over ten technical institutes, of which the country still knows very little; they have received modest appropriations, but they have quietly carried on very important work. They have already great achievements to their credit, and are continuing to perform useful work.

Financial Situation of the Soviet Union

(In the report submitted to the Third Federal Congress of Soviets on May 19, 1925, Mr. Sokolnikov, People's Commissar for Finances made the following statements:)

WHAT forward strides have been made in the Federal budget during the past years, in particular during 1924-25? Here is a table to show the growth of the budget for the last three years. In 1922-23 the Federal budget amounted to 1,336,300,000 gold rubles; in 1923-24 it totaled 1,921,700,000 gold rubles; and in 1924-25 it aggregated 2,478,500,000 gold rubles (not including the foreign currency budget), thus approximating the round figure of two and a half billion gold rubles.

While the Federal budget for the entire fiscal year 1922-23 totaled 1,300,000,000 gold rubles in round figures, the Federal budget for only one half of the fiscal year 1924-25 amounted to this same figure of 1,300,000,000 gold rubles. Thus, in three years the Federal budget actually doubled.

What happened in the case of the local budgets? Here are the figures on the local budgets. In 1922-23 the aggregate sum of the local budgets was 285,000,000 gold rubles; in 1923-24 it was 623,000,000 gold rubles; and in 1924-25 it is 870,000,000 gold rubles, an amount which will probably be surpassed. Thus, in the course of three years the combined aggregate of the local budgets tripled. If we add up the local and Federal budgets to get an idea of what resources are at the disposal of the Soviet Union in the sphere of local and Federal budgets for the accomplishment of its tasks, these resources total 1,600,000,000 gold rubles in 1922-23 and about 3,500,000,000 gold rubles this year.

The growth, as you see, is quite considerable. But we must not only be satisfied that the budget is growing, we must further compare it with the pre-war budget to see how much ground we must still cover in order to reach that level of fulfillment of the country's needs which was attained before the war, although that standard was far from high.

The Imperial budget for the year preceding the war amounted to about 3,500,000,000 rubles; our Federal budget for the Soviet Union now totals 2,500,000,000 rubles. If we add to this the fact that the purchasing power of our money, as is the case throughout the world, still remains lower than before the war, we are led to the conclusion that our Federal budget for the Soviet Union in reality now constitutes altogether only somewhat above one-half (about 60 per cent) of the pre-war Tsarist budget. Accordingly, as you see, the Soviet Government is still confronted with an enormous task for the consolidation and expansion of the budget.

If we are unable to extend the Federal budget, we shall not be able to improve the defenses of

the Soviet Union, something which is unquestionably indispensable, and we shall not be able to increase the disbursements for public education, which are likewise absolutely necessary, and so forth.

Tsarist and Soviet Budget Expenditures

If our budget is only slightly more than half of the budget of the Tsarist period in actual size, what is the structure of the expenditures of this budget, how were the public funds apportioned, how were they expended in Tsarist times and how are they spent now? In the Tsarist budget 26.8 per cent was spent on defense; in our budget we expend about 16.9 per cent on the army and the navy. The Soviet Union does not set up as its task a policy of conquests which was pursued by the Tsar. Our Union does not make aggression its aim, but only defends itself.

Our expenditures on transportation take up a larger share than in the pre-war budget. Before the war disbursements for the transportation system constituted 30 per cent, while in our case they amount to 38 per cent (to render a comparison possible we include in pre-war transportation disbursements the funds expended on private railroads which are now nationalized).

In Tsarist times 1 per cent of the entire budget was spent for the purpose of supporting and fostering industry; in our budget 6 per cent goes for this purpose. In the Tsarist budget 3.9 per cent was spent for the support and development of agriculture; now 8 per cent is devoted to this. In Tsarist times 5.9 per cent was expended for social and cultural needs, i. e., for public education, public health, etc., whereas at present 11 per cent is spent on this work.

Expenditures for internal administration consume a somewhat smaller part with us than under Tsarism. The apparatus of administration costs us less despite the fact that the aggregate size of the budget has decreased considerably. And, finally, the payments for loans, including redemption, took up about 12 per cent under Tsarism; now they amount to 3 per cent.

If we pass from all these percentage relations over to figures, we need only cite a couple of fundamental figures for a comparison of the present budget with the pre-war budget.

Under the Tsar 850,000,000 rubles were spent on the army and navy; in our budget altogether only about 420,000,000 rubles are appropriated for this purpose. Thus our budget shows an economy of 430,000,000 rubles as compared with the Tsarist budget. Before the war payments on the

national debt constituted about 350,000,000 rubles annually, going up to 400,000,000 rubles in individual years. In our budget they constitute about 70,000,000 rubles, including the redemption of short-term loans.

The Consolidation of the Cantonal Budgets

Latterly special attention has been devoted to strengthening the "volost" (township) budget. In the system of local budgets the creation and consolidation of the "volost" budget was placed on the order of the day as long ago as the autumn of 1923. Almost two years have passed since that time and we can state that something has already been accomplished in this regard.

The combined aggregate of the "volost" budgets for the current year 1924-25 is about 150,000,000 gold rubles. Per capita of population the expenditures in the "volost" budgets range between 1 ruble 20 kopeks and 1 ruble 40 kopeks. This figure fluctuates in the various Republics. It is inadequate. It is necessary to strive approximately to double the "volost" budget during the forthcoming year 1925-26. It is necessary to make it our aim to bring the sum total of the "volost" budgets approximately up to 300,000,000 gold rubles, so that there may be actually begun in the "volosts," as the primary Soviet organizations, the vital work of local reconstruction with the direct participation of the peasant population.

City and Country in the Tax System

After remarking upon the significance of drawing the broad masses of workers and peasants into budget activities and upon the importance of the budget work itself, Mr. Sokolnikov turned to a description of the roles of the city and country districts in the Soviet Union's system of taxation in 1924-25.

The agricultural tax, he stated, i. e., a direct tax falling upon the rural regions, aggregated about 340,000,000 gold rubles in 1924-25. Of this 90,000,000 rubles go into the local* and "volost" (township) budgets being distributed approximately half and half: 45,000,000 rubles to the local budgets and 45,000,000 rubles to the "volost" budgets.

The sum total of the direct taxes (trading tax, income tax and special assessments, together with additions and deductions for local budget purposes) laid upon the cities this year comes to 450,000,000 rubles.

Thus, the agricultural tax amounts to 340,000,000 rubles while the trading, income and special taxes, together with the local deductions and additions, aggregated 450,000,000 rubles.

Consequently the total of the direct imposts on the cities is 110,000,000 rubles higher than the aggregate assessments on the rural regions. Here we have a complete reversal of the situation two or three years ago, when requisitions of food-

stuffs and the tax in kind fell with all their weight upon the country districts, and there were no direct taxes at all in the cities.

Placing the Budget on a Sound Basis

In 1924-25 the sum of about 90,000,000 gold rubles was included in the Federal budget as allotments from the profits of State industry, trade and banks. This is our answer to the slanders that the industries which the working class took over into its hands are being run at a loss.

Our expenditures on the metal industry and coal industry, as well as on the improvement of some other branches, amounted to 109,000,000 rubles.

Thus, this year we receive from State industry, trade and banking about 90,000,000 rubles and we turn over to industry 109,000,000 rubles, that is, the Government paid out 19,000,000 gold rubles more than it received. But the essential fact is that these appropriations were not made to cover a deficit incurred by industry, but to restore the basic capital and to reequip heavy industry, not to plug holes, not to cover losses, but to strengthen such fundamental industrial branches as metallurgy, etc.

I shall bring up still another comparison between expenditures for the support of industry and those for the support of agriculture in the budget for the year 1924-25. As I have already said, industry received 109,000,000 rubles. In addition to this, 41,000,000 gold rubles were apportioned this year to the program for electrification, the equipment of new electric power stations, etc. In all 150,000,000 gold rubles were allotted to industry and electrification. Agriculture received 75,000,000 gold rubles as capital for the Central Agricultural Bank and under different headings for the improvement of agricultural economy; 62,000,000 gold rubles were expended out of the funds in the Federal budget for aid to those suffering from crop failures, and about 7,000,000 gold rubles were especially devoted to agricultural cooperation. Altogether agriculture received 144,000,000 gold rubles.

Accordingly, the support extended to agriculture almost equalled the sums appropriated for industry plus electrification.

If you look at the total balance sheet of revenues and expenditures, you must observe one important circumstance, namely: our revenues and expenditures are divided into two parts—the ordinary and the extraordinary revenues and expenditures. The ordinary revenues this year amount to 2,234,000,000 gold rubles, and the basic expenditures, i. e., such as are of a constant character, amount to 2,100,000,000 gold rubles. Therefore, this year the ordinary revenues are 100,000,000 gold rubles larger than the ordinary expenditures. The extraordinary expenditures, however, exceed the income from extraordinary revenues.

The extraordinary expenditures embrace expenses for the advancement of our economic life,

*Budgets of the various republics.

which will, we hope, get back on its own feet in the near future. Among the extraordinary expenditures are also included such expenses as those connected with the struggle against the consequences of the famine, or appropriations for such purposes as the liquidation of the consequences of elemental calamities—the inundation in Leningrad, snow-storms in the Caucasus, etc.

Credit Policy

I shall introduce figures to show how much the combined indebtedness of the various branches of our national economic life to the banks equalled on January 1, 1925, this estimate not including the agricultural credit system, and the data referring only to the State Bank, the Industrial Bank, the Bank for Foreign Trade, the Moscow Municipal Bank, and the All-Russian Cooperative Bank. In the aggregate on January 1, 1925, these banks had credits of 1,000,000,000 gold rubles outstanding to all branches of national economy. This is the support which the credit system has furnished.

The balance sheets of the banks show that the volume of their operations had increased three and a half times on April 1, 1925, as compared with October 1.

How have bank deposits grown? On October 1, 1923 deposits totaled 230,000,000 gold rubles; on October 1, 1924 there was an aggregate of 580,000,000 gold rubles on deposit, i. e., they had more than doubled; and, finally, today the deposits in the banks reach a sum total approaching 1,000,000,000 gold rubles. This means that the deposits, which are at the disposal of the banks as credit resources, have increased fivefold since October 1, 1923, and counting from October 1, 1924, that is, during the course of a few months, they have almost doubled.

The Gold Reserves

On October 1, 1924, the stock of gold in possession of the State Bank totaled 239,000,000 rubles, and on May 1, 1925, it amounted to 245,000,000 rubles. Thus, the gold reserve at the disposal of the State Bank for the maintenance of a stable rate of exchange constituted about one quarter of a billion rubles. We consider this sum quite sufficient; in case of need the State Treasury with its gold resources can also go to the aid of the State Bank.

Here I must point out only one circumstance. Even last year the State Bank's gold reserve, which was then considerably smaller (on January 1, 1924, it amounted altogether to about 150,000,000 rubles), was still kept abroad in considerable part, particularly in London.

At the present time we have altered this policy, and we keep the major portion of the gold fund here in Moscow, and in other countries with which we are developing our trade relations.

Meanwhile, for the purpose of sustaining and strengthening our currency, we must increase the mining of gold within the Soviet Union, something which we are doing. In 1921 we mined 83 poods of gold, in 1924-25 according to the program the total may reach 1,800 poods, which will equal the figure for 1917. The program calculations will be surpassed rather than unattained.

Concluding Remarks

In answer to a question as to the role played by revenue from the vodka excise, Mr. Sokolnikov stated that this excise yielded approximately 100,000,000 rubles. As compared with pre-war production, the present annual output of vodka in the Soviet Union is between 5 and 6 million "vedros" (one vedro equals 3.25 gallons), whereas in the old days up to 100,000,000 "vedros" were distilled each year. Our task here, he declared, is not at all to overtake the pre-war level, but, on the contrary, to decrease the volume of consumption in the future.

In conclusion Mr. Sokolnikov said that the Soviet Union could now go forward to a Federal budget of 3,000,000,000 gold rubles, which will represent an increase of half a billion gold rubles. Undoubtedly the local budgets will also grow concurrently with the Federal budget. During the year 1925-26 it will be necessary to carry out a number of measures for the improvement of the system of taxation. Here it is indispensable to introduce a number of substantial reforms. The income and trading taxes now show an increase, and they will continue to grow in the future, too. It is only necessary to secure a more sound and more equitable taxation. A policy of tax collection which resembles confiscation or requisition is disadvantageous and unprofitable and must be resolutely rejected. The number of small manufacturing, home-craft and trading enterprises should not be reduced; on the contrary, their growth should be encouraged.

PAMPHLETS

published by the

RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

The Russian Information Bureau has received
a number of copies of the
**Official Report of the British Trades Union
Delegation to Russia**

The Red Army

(At the Third Federal Congress of Soviets held during the second part of May in Moscow, Mr. M. V. Frunze, People's Commissar for Army and Navy, presented a report on the situation of the military forces of the Soviet Union. Some of the statements made in this report are reprinted below:)

EXCLUSIVE of the sea fleet, the numerical strength of the Red Army's land forces is equal to 529,000 men, i. e., 183,000 less than the French forces, and 17,000 less than the armed strength of our adjoining western neighbors—Poland, Rumania and the Baltic States taken together.

Here are a few more facts demonstrating the "reality of Red imperialism":

For each 10,000 inhabitants the Soviet Union has 41 soldiers; Rumania and Poland—100 each; France, exclusive of colonies,—200; etc., so that the nations of Western Europe have from 3 to 5 times more soldiers than we.

With respect to area we have 27 soldiers per 1,000 square kilometers; Rumania—350; and Poland—700, i. e., 25 times more.

Finally, whereas in our country the burden of supporting the army does not even come up to 3 rubles per capita of population, in the Baltic States it amounts to 7 rubles per capita, in Poland to 11 rubles, and in France to 14.

In war matters, as throughout our whole constructive activity, we are obliged to put into effect, and we are putting into effect, the principles of our national policy. We are building up our army in such a way that no nationality in our Union will feel offended or disregarded. On the other hand, we must do this in such a way that the army shall be a strong, united whole, which will show fighting efficiency in all its constituent parts and be a firm guarantee of the safety of our Union.

And we carry on the work of the army from the standpoint of these fundamental principles. In the case of those nationalities which are rather considerable in numbers and which have had experience in military service, we follow along the line of the formation of independent military divisions. At the present time we have quite a number of national formations, which in the aggregate constitute a figure of 10 per cent in relation to the total numerical strength of the Red Army. As you see, the figure is not very small. With reference to the minor nationalities, for which the formation of national divisions is difficult, we pursue the course of ministering to their cultural and national needs within the mixed divisions, which we try to put together in such a manner as to have the members of a distinct nationality constitute a definite military unit, for instance, a company or a battalion.

The following figures covering the last class called to the colors in 1922 may furnish some idea of the extent of the importance of the question of nationalities in the composition of the Red Army: the fundamental kernel of this class, as in general

of the whole Red Army, consisted of Great Russians (Russians proper)—64 per cent, Ukrainians—22 per cent, White Russians—4 per cent, and others—10 per cent. Approximately the same relations apply throughout the Red Army.

If we turn to the officers' corps, we observe a number of important attainments accomplished during the past two years. With regard to military education the situation in the commanding staff in 1922 was this: 56.6 per cent had received military education (although it had been very slight in many cases), and 43.4 per cent were altogether without military education.

In 1925 we have the following condition: the individuals in the officers' corps who have received a military education make up 90.5 per cent of the total, and those without military education—9.5 per cent. This situation in the officers' corps is quite satisfactory.

The social make-up of the Red Army is as follows: peasants—84.7 per cent, workers—11 per cent, and others—5.3 per cent. As regards the social composition of the commanding staff, the following picture of social ratios is presented: peasants—56 per cent, workers—12.3 per cent, and others—23.7 per cent.

The latest classes graduated from our military educational institutions included: workers—33 per cent, peasants—52 per cent, and others—15 per cent; while the last entering classes showed the following composition: workers—44 per cent, peasants—49 per cent, and others—7 per cent.

We have brought it about that the entire body standing at the head of the Red Army is of proletarian and peasant character.

The condition of the Red Army's morale is altogether sound. The fact that it is improving is confirmed by the figures covering offenses in the army. The most serious offense in the ranks of the Red Army is desertion. Even up to last year we had not a small number of deserters—about 6 per cent. In 1923 we had 7½ per cent of deserters. Now we have less deserters: altogether 0.1 per cent.

In the ranks of the Red Army we have an enormous network of so-called "Lenin Corners," where the Red Army soldier spends his leisure time and carries on the work of self-education. We have 4,500 such nooks. Club, circle, and library work in the ranks of the Red Army is of a broad character. The reading of books increases each year. In 1923 a total of 6,438,484 books were borrowed from Red Army libraries; in 1924 the number of borrowings was 10,051,804. We conduct a colossal struggle for the elimination of illiteracy. Unfortunately, up to the present a rather consid-

erable percentage of illiterates are drafted into the Red Army. On the average it fluctuates up to 20 per cent, and we liquidate this illiteracy during the period of service in the ranks of the Red Army. In 1924 we taught 33,421 totally illiterate soldiers, constituting 9 per cent, and 43,717 partially literate soldiers, i. e., 11.6 per cent, an aggregate of 77,138. In 1925 we are completing the elimination of illiteracy: 28,947 totally illiterate and 44,257 partially literate, in all 73,204 men.

I must draw your special attention to the cultural work carried on by our territorial formations. Not only the changing rank and file, but also the entire rural population, participate both in the pre-recruiting preparations and in the work of the special territorial formations.

About the entire material equipment of our army it must be said that it is worn out to a considerable degree, and in part its quantity is simply insufficient. This applies to the basic sorts of arms, as well as to the special technical sections in particular.

Here are some brief statistical data which will illustrate the present state of affairs in the military industry: The percentage of utilized working time based on the number of calendar days rose from 60 per cent in 1921 to 80 per cent in 1923-24; in peace times it was equivalent to 75 per cent. The percentage of absence of employees from work fell to 7 per cent as against 10 per cent before the war. The time required for the manufacture of a rifle was 44 hours in 1923-24 and 36 hours during the first quarter of 1924-25 as against 40 hours before the war.

As you see in this case we have already surpassed the production standard of pre-war times. The preparation of one thousand rifle cartridges consumes 34 hours as compared with 38.8 hours in 1923; the pre-war standard was 32 hours. Here we are somewhat behind. The quality is improving.

Spoilage diminishes from year to year. In 1923 the average percentage of spoilage in rifles was 12.5 per cent, while in 1924 it had fallen to 9.7 per cent. The spoilage in the case of rifle cartridge shells has declined from 9.5 to 5.9 to 3.7 per cent.

Production costs are also falling. Thus, for example, according to factory cost accounts the price of a rifle at the Tula plant was 72 rubles in 1924 and 60 rubles in 1925; at the Izhevsk plant the figures were 51 rubles and 44 rubles respectively.

Up to 1925 we purchased abroad during three years a total of over 700 airplanes. This year we have not bought a single airplane abroad, and I suppose that next year, too, we shall be fully supplied by the growing production of our airplane factories.

We have such an institution as the Aero-Hydro-Dynamic Institute, attached to the Supreme Council of National Economy, under the guidance of

Prof. Chaplygin, which has given us a number of valuable inventions.

We possess colossal creative forces; this creative energy is felt pulsing in all the pores of our national economic life. Our difficulty is not the inability to invent this or that improvement, or the lack of this or that secret, but the fact that under the conditions of our finances and industry we cannot put them into practice. I am convinced that the improvement of our economic situation will enable us not only to catch up with foreign countries but also to surpass them, in research as well as in invention.

Composition of Soviet Congress and Executive Committee

ON May 20 the closing session of the Third Federal Congress of Soviets was held in Moscow under the chairmanship of Mr. M. I. Kalinin.

A report presented by Mr. Syrtsov in the name of the Credentials Committee showed that altogether 2,276 delegates had been admitted to the Congress, 1,580 of them with vote and 696 with voice but without vote. The Russian Socialist Federated Soviet Republic (Soviet Russia proper) had 70.9 per cent of the total number of delegates, the Ukraine—18 per cent, White Russia—3.5 per cent, Transcaucasia—4.5 per cent, Turkmenistan (Turkoman Republic)—1 per cent, Uzbekistan (Uzbek Republic)—2.1 per cent.

There were 162 women participating in the Congress, 95 of them with a vote. As compared with the First Federal Congress of Soviets, the number of women increased twofold.

The political composition of the Congress was as follows: members of the Russian Communist Party and applicants for membership in the party 1,882; non-partisan—454. The number of non-partisan delegates increased fourfold in comparison with the proportion at the First Federal Congress of Soviets.

The social make-up of the Congress was as follows: workers—40.5 per cent; peasants—29 per cent; others—30.5 per cent. The Congress was constituted in the following manner according to nationalities: Great Russians (Russians proper)—58.5 per cent; Ukrainians—11 per cent; White Russians—2.5 per cent; Caucasians (i. e. Georgians, Armenians and other inhabitants of the Caucasus)—6 per cent; etc.

Of the delegates at the Congress 61 per cent were participating for the first time.

Mr. Ehlukidze proposed that the Congress take up certain formal changes in the proper articles of the Constitution of the Union of Socialist Soviet Republics in connection with the entrance of the Turkoman and Uzbek Republics into the Union.

The number of members in the Council of Nationalities was changed and, according to the mo-

tion, it is to be made up of 5 representatives from each Constituent and Autonomous Soviet Socialist Republic and 1 representative from each Autonomous Area. The composition of the Presidium of the Council of the Union, the Council of Nationalities as well as of the Central Executive Committee of the Soviet Union, was also altered. The Presidium of the Council of the Union will consist of 27 members instead of 21 as formerly. Article 27 of the Constitution, in accordance with which four Presidents of the Central Executive Committee are to be elected, will be worded as follows: "The Central Executive Committee of the Union of S. S. R. shall select from the members of its Presidium as many Presidents as there are Constituent Republics."

The Plenum of the Supreme Court of the Union of S. S. R. will consist of 15 members instead of 11 as heretofore.

The amendments proposed by Mr. Enukidze were unanimously passed by the Congress.

Later the Congress listened to reports presented by the committees chosen to draw up proposals in connection with the reports made by Kalinin, Kamenev, Dzerzhinsky, and Sokolnikov. All the proposed drafts of the resolutions were adopted with a few corrections and additions.

Mr. Enukidze presented a report on the formation of the Central Executive Committee, in which he pointed out that in accordance with the Constitution the Central Executive Committee consists of two houses—the Council of the Union, and the Council of Nationalities. The former body is made up of members selected by the Congress of Soviets proportionately to the population of the Constituent Republics. The Council of Nationalities consists of delegates elected in their territories in each Republic and Area, the composition of the Council of Nationalities as a whole to be confirmed by the Federal Congress of Soviets.

Turning to the question of the composition of the Council of the Union, Mr. Enukidze pointed out that the commission determining the make-up of the Central Executive Committee was confronted by three tasks.

The first of these was the endeavor to draw the maximum number of non-partisan workers and peasants into the composition of the Council of the Union. Whereas the last body of the Central Executive Committee had about 11 per cent of non-partisan members, the present one included more than 22 per cent.

Furthermore, the commission had striven to attract more representatives of the various republics and areas inhabited by non-Russian nationalities.

The third task consisted in attracting into the body of the Central Executive Committee the largest possible number of representatives from provincial localities. The percentage of political workers from the Capital has decreased considerably in the new membership with a corresponding

increase in the percentage of provincial political workers.

As the result of the entrance of two new Republics into the Soviet Union the total membership of the Council of the Union increased.

Mr. Enukidze submitted for confirmation a list of 450* members to constitute the Council of the Union, this membership being distributed as follows: R. S. F. S. R. (Soviet Russia proper)—300; Ukrainian Soviet Socialist Republic—75; White Russian Soviet Socialist Republic—13; Transcaucasian Soviet Federation—30; Turkmenistan—4; Uzbekistan—16. In addition to this, 12 members not representing any specific Constituent Republic were appointed to the Council of the Union from a central administration list. These unattached members included the 10 People's Commissars at the head of the Joint People's Commissariats and of two diplomatic representatives (in Berlin and London).

As compared with the previous year, the number of alternates diminished, totaling 199 for the present body as against 220 for the preceding one.

The membership of the Council of Nationalities was confirmed at 131. Of these the Russian Socialist Federated Soviet Republic (Soviet Russia proper) gets 68; the Ukrainian Socialist Soviet Republic—10; the White Russian Socialist Soviet Republic—5; the Transcaucasian Soviet Federation—32; Turkmenistan—5; and Uzbekistan—11. In contradistinction to last year's composition, it is proposed to elect 53 alternates, of whom 30 fall to the share of the Russian Socialist Federated Soviet Republic, 7 to the Ukrainian Socialist Soviet Republic, 3 to the White Russian Socialist Soviet Republic, 8 to the Transcaucasian Soviet Federation, 2 to Turkmenistan, and 3 to Uzbekistan.

The aggregate membership of the Central Executive Committee consisting of the members of the Council of the Union and of the Council of Nationalities is fixed at 834 as against 705 last year. Of this total 581 are regular members and 253 are alternates.

The roster proposed by Mr. Enukidze was unanimously adopted by the Congress.

Election of Council of People's Commissars and Presidium of Central Executive Committee

The following were elected members of the Council of People's Commissars by the Central Executive Committee of the Union of Soviet Socialist Republics on May 21, 1925:

Chairman—A. I. Rykov; Acting Chairmen—L. B. Kamenev and A. D. Tsiurupa; People's Commissar for Foreign Affairs—G. V. Tchitcherin; People's Commissar for Army and Navy—M. V. Frunze; People's Commissar for Foreign Trade—L. B. Krassin; People's Commissar for Transports—Y. E. Rudzutak; People's Commissar for Posts and Telegraphs—I. N. Smirnov; People's

*Last year there were 414.

Commissar for Workers' and Peasants' Inspection—V. V. Kuybyshev; Chairman of the Supreme Council of National Economy—F. E. Djerzhinsky; People's Commissar for Labor—V. V. Schmidt; People's Commissar for Domestic Trade—A. L. Sheinman; People's Commissar for Finances—G. Y. Sokolnikov.

The same meeting also selected a Presidium of 27 members and 22 alternates including the following six Presidents: M. I. Kalinin, G. I. Petrovsky, A. G. Cherviakov, Gazanfar Mussabekov, Netyrbay Aytakov, and Faizulla Khodjajev. At the same time A. S. Ehlukidze was appointed Secretary of the Central Executive Committee.

Soviet Administrative Structure and Geographical Names

IN its first few issues published in 1923 the "Russian Review" printed a series of articles presenting the administrative structure of the Soviet Union. Since that time the administrative structure of the U. S. S. R. has undergone a number of changes. These changes have been marked in the two maps published recently by the "Russian Review." In 1923 the Soviet Union consisted of four Constituent Republics, viz., the Russian Socialist Federated Soviet Republic (R. S. F. S. R. or Soviet Russia proper), the Transcaucasian Soviet Federation, the Ukrainian Socialist Soviet Republic and the White Russian Socialist Soviet Republic. In addition to this the two People's Soviet Republics of Khiva and Bokhara were allied with the Soviet Union.

Of these four constituent republics the R. S. F. S. R. (capital Moscow), contained in addition to the purely Russian territory of Central (or Great) Russia and Siberia, a number of autonomous republics and autonomous areas constituted along racial lines, such as the Karelian Republic (capital Petrozavodsk), the Crimean Republic (capital Simferopol), the German-Volga Republic (capital Pokrovsk), the Tartar Republic (capital Kazan), the Bashkir Republic (capital Ufa), the Mountain Republic (capital Vladikavkaz), the Daghestan Republic (capital Makhach-Kala), the Kirghiz Republic (former capital Orenburg, present capital Ak-Mechet), the Turkestan Republic (capital Tashkent), the Yakut Republic (capital Yakutsk), and the Buriat-Mongol Republic (capital Verkhne-Udinsk); as well as the following autonomous areas: the Zyrian (Komi) Area (capital Ust-Syssolsk), the Votyak Area (capital Izhevsk), the Mari Area (capital Krasnokokshaisk), the Chuvash Area (capital Cheboksary), the Kalmuck Area (capital Astrakhan), the Adighe-Circassian Area, (temporary capital Krasnodar), the Karachai-Circassian Area (capital Batalpashinsk), the Kabardian-Balkarsk Area (capital Nalchik), the Chechen Area (capital

Grozny) and the Oirad Area in South-Western Siberia (capital Ulala).

The Transcaucasian Soviet Federation (capital Tiflis) was divided into three Socialist Soviet Republics—Georgia (capital Tiflis), Armenia (capital Erivan) and Azerbaijan (capital Baku). Georgia contained, in addition to Georgia proper, three administrative subdivisions: The Autonomous Soviet Republics of Abkhazia (capital Sukhum Kale) and of Adjaria, (capital Batum), and the Autonomous Area of South Ossetia (capital Tskhinvali). Azerbaijan had one autonomous subdivision—the Autonomous Soviet Republic of Nakhichevan (capital Nakhichevan), separated from Azerbaijan proper by a strip of Soviet Armenian territory.

The Ukrainian Soviet Republic (capital Kharkov), and the White Russian Soviet Republic (capital Minsk) had no autonomous subdivisions.

Among the changes effected in the course of 1924 and 1925 the most important is the complete rearrangement of Soviet Central Asia. The Turkestan Soviet Republic as well as the two People's Soviet Republics of Khiva and Bokhara ceased to exist as administrative units, to make place to new formations constituted along racial lines. Two new independent republics were created—the Uzbek Socialist Soviet Republic (the temporary capital is Tashkent) and the Turkoman Socialist Soviet Republic (capital Poltoratsk-Askhabad) which have now the rank of constituent republics—the same as the R.S.F.S.R., the Ukraine, the Transcaucasian Federation and White Russia. The Uzbek Republic has one autonomous subdivision, the Tadjik Autonomous Socialist Soviet Republic (capital Dushambe). The remaining part of Soviet Central Asia has been united with the Kirghiz Autonomous Socialist Soviet Republic (recently renamed "Kazak" Republic) which forms part of the R. S. F. S. R. However, two sections of this new Kirghiz territory, have been granted autonomy within the Kirghiz Republic. These sections are the Kara-Kirghiz Autonomous Area (at present renamed Kirghiz Autonomous Area) and the Kara-Kalpak Autonomous Area.

Among the other administrative changes within the R. S. F. S. R. mention is to be made of the Mountain Republic in the Caucasus, which has ceased to be an administrative unit; in its place two new autonomous areas were created: the Ossete Area and the Ingush Area, a small strip containing Vladikavkaz, the former capital of the Mountain Republic, obtaining its own autonomous administration. The Chuvash Autonomous Area in the Middle Volga region is to become an Autonomous Republic.

A small slice of Ukrainian territory, inhabited mainly by Moldavians—and adjoining Bessarabia whose occupation by Rumania has not been recognized by the Soviet Union—has been constituted

as the Moldavian Autonomous Socialist Soviet Republic which is a subdivision of the Ukrainian Socialist Soviet Republic. The division of the Ukrainian Republic into 9 provinces has been recently abolished and the entire Republic is now divided into 41 districts.

The territory of the White-Russian Socialist Soviet Republic has been considerably enlarged, a number of contiguous districts of the R.S.F.S.R. inhabited by White-Russians having been added to it.

In addition to administrative rearrangements the elapsed period was marked by a number of changes in geographical denominations. The changes refer mainly to cities, towns and villages—but in one case the name of an entire republic was changed—the Kirghiz Republic being called henceforth the Kazak Republic or Kazakistan (in the same way the Uzbek Republic is also called Uzbekistan and the Turkoman Republic Turkmenistan).

Among the changes affecting the names of cities the most important are the following:

Former Name	Present Name
Alexandropol (Armenia)	Leninakan
Askhabad (Turkoman Republic).....	Poltoratsk
Aleksandrovsk (Ukraine).....	Zaporozhye
Ekaterinburg (R.S.F.S.R.).....	Sverdlovsk
Ekaterinenstadt (German Volga Rep.).....	Marxstadt
Ekaterinodar (R.S.F.S.R.).....	Krasnodar
Elisavetgrad (Ukraine).....	Zinovievsk
Elisavetpol (Azerbaijan).....	Gandja
Gatchina (R.S.F.S.R.).....	Trotzk
Krasnoye Selo (R.S.F.S.R.).....	Krasniy Gorod
Petrovsk (Kazakistan).....	Ak Mechet
Petrograd (R.S.F.S.R.).....	Leningrad
Petrovsk (Daghestan).....	Makhach Kala
Simbirsk (R.S.F.S.R.).....	Ulianovsk
Skobelev (Uzbekistan).....	Ferghana
Tsarevokokshaisk (Mari).....	Krasnokokshaisk
Tsaritzyn (R.S.F.S.R.).....	Stalingrad
Tsarskoye Selo (R.S.F.S.R.).....	Dyetskoye Selo

Total Wealth of Soviet Union

ON October 1, 1924, the Soviet Union's capital wealth, exclusive of land, amounted to 37,843,000,000 gold rubles. The value of the land on the same date was equal to 63,000,000,000 gold rubles, of which the equivalent of 50,000,000,000 gold rubles was in possession of the population. The country's total wealth, including land, aggregated 100,843,000,000 gold rubles. The per capita wealth, exclusive of land, amounted to 282 gold rubles; including land, it was 752 gold rubles.

The total capital wealth of the Union of Socialist Soviet Republics was made up of the following elements:

Form of Capital	Value Gold Rubles	Percentage of Total Including Not Incl.	
		Land	Land
Industry	5,335,800,000	5.3	14.1
Agriculture	6,527,100,000	6.5	17.2
Buildings	19,592,000,000	19.4	51.3
Municipal Utilities....	338,000,000	0.3	0.9
Transportation	6,050,100,000	6.0	16.5
Land	63,000,000,000	62.5	—
Total	100,843,000,000	100.0	100.0

The capital wealth in small-scale industry amounts to 644,000,000 gold rubles, which is less than one seventh of the total for large-scale industry—4,692,100,000 gold rubles. Of the latter figure 4,572,000,000 gold rubles, or 97.4 per cent, falls to the share of State industry; 87,300,000 gold rubles, or 1.9 per cent, to the cooperative industry; 32,800,000 gold rubles, or 0.7 per cent, to private industry.

Wealth in the form of buildings is almost equally divided between urban and rural districts, the cities having 9,586,000,000 gold rubles as against 10,000,000,000 gold rubles for the country regions. Of the aggregate of 19,592,000,000 gold rubles under this head the State owns 6,575,000,000 gold rubles' worth, or 33.6 per cent. The remainder, 13,017,000,000 gold rubles, or 66.4 per cent is in private hands. The State holdings are chiefly in the cities—6,289,000,000 gold rubles, as compared with 286,000,000 gold rubles in the country districts. Private wealth in buildings is principally in the rural regions—9,720,000,000 gold rubles, as against 3,297,000,000 in the cities. Wealth in the form of various municipal utilities in the cities amounts to 338,000,000 gold rubles, or 0.3 per cent of the aggregate national wealth.

Of the wealth in transportation, 1,560,000,000 gold rubles consists of rolling stock, while the balance of 4,490,000,000 gold rubles is in the form of stationary equipment.

The total for agricultural capital wealth is made up as follows: draft animals—2,319,000,000 gold rubles; other live-stock—2,622,000,000 gold rubles; farming equipment—1,586,000,000 gold rubles, making an aggregate of 6,527,000,000 gold rubles.

The value of land has been based upon selling prices in the year 1914.

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Foreign Relations of the U. S. S. R.

Relations With Austria

FOLLOWING a speech by Mr. Mataja, Austrian Minister of Foreign Affairs, in which he attacked the Soviet system and made certain charges against the diplomatic representatives of the Soviet Government, the Soviet Envoy in Vienna submitted a verbal note to Mr. Mataja, acknowledging receipt of a copy of the circular containing the speech in question, which had been mailed to all the embassies in Vienna. In this verbal note the Soviet Plenipotentiary Representative stated that the Soviet Legation felt constrained to communicate the text of this speech to the Soviet Government. However without anticipating the position which the Soviet Government would assume toward the declarations of the Austrian Minister of Foreign Affairs, the Plenipotentiary Representative of the Soviet Union could not help expressing beforehand his profound surprise at numerous assertions by the Austrian Minister of Foreign Affairs regarding the Soviet system and the Soviet Union's representatives abroad.

On May 28 Mr. Mataja, the Austrian Minister of Foreign Affairs, made the following explanation in answer to verbal representations by the Soviet Embassy:

Mr. Mataja pointed out first of all that the evident purpose of the speech which he pronounced consisted in his desire to dispel any suspicion that the Austrian Government would silently or heedlessly permit Communist activities directed against other nations. He excluded any possibility of his sharp statements being aimed against the Soviet Government. The Minister emphasized several times that he had no intention of criticizing either the Soviet Government or, in particular, the People's Commissariat for Foreign Affairs. On the contrary, he made a perfectly definite distinction between the Soviet Government and the Communist International. His criticism of the communist system referred, not to the Soviet Government, but to the communist parties. In his opinion this did away with any possibility of regarding his speech as an act of interference in the internal affairs of the Union of Socialist Soviet Republics. Beside this, he definitely observed that throughout the entire period during which Soviet representatives have been present in Austria not a single case has been discovered wherein couriers or other agents of the Soviet Government occupied themselves with matters outside the bounds of their proper functions or lent their services to other organizations. He stated that it was self-evident that his words concerning collaboration of foreign police organs did not refer to the activities of Soviet couriers.

On June 2 the Secretariat of the Austrian Ministry of Foreign Affairs sent the following circular

communication to all the foreign diplomatic missions in Vienna:

"In connection with its circular of May 23 the Secretariat of the Ministry of Foreign Affairs begs to transmit to the accredited diplomatic missions in Vienna, and requests them to note, the statement published on May 28. From this announcement it appears that Minister Mataja in his remarks with reference to the supposed existence of a Communist center in Vienna had in mind only the theoretical possibility of the utilization of Soviet diplomatic agencies for the purpose of propaganda by the Communist International, since no cases of such a nature have occurred in practice."

This circular of the Ministry of Foreign Affairs refers to the second statement by the Minister of Foreign Affairs, which was distributed among the foreign representatives and which was likewise published in some Vienna papers.

Through the "Amtliche Nachrichtenstelle" (a semi-official telegraph agency) the Secretariat of the Ministry informed all the newspapers of the transmission of the above circular to the foreign missions, as well as of its text.

Thus, the Austrian Minister of Foreign Affairs has retracted all the accusations made against the Soviet Union, officially announcing this fact both to the foreign diplomatic representatives and to the general public.

In conjunction with this Mr. Kotsyubinsky, the Soviet Charge d'Affaires, announced that the Government of the Soviet Union considers the incident closed.

British Labor Delegation on "Zinoviev Letter"

A deputation of British labor leaders went to Moscow for the purpose of establishing all the facts concerning the so-called "Zinoviev letter" that had caused an exchange of notes between the British and the Soviet Governments. This "document" figured prominently during the last British elections. From the very moment of its publication the Soviet Government categorically denied its authenticity.

The "Russian Review" publishes herewith the most important passages of the British Labor report in this matter as printed in the "Daily Herald" of London and quoted extensively by the Soviet press:

The deputation consisted of Messrs. Tillet, Grenfell and Young, of whom one had a good knowledge of Russian and another of both Russian and German.

The deputation first asked to be shown the file of correspondence with the British Communist

Party. This was produced from a locked press and was a loose file of typewritten duplicates in English. It was read through and leave was asked to take a copy of one confidential document.

The deputation goes on to describe how it was given full information with regard to the method of drafting and registering of important documents, and was shown the daily register of all outgoing correspondence.

All entries which might conceivably concern England were inquired into, and the documents produced. It was impossible, says the report, that this record, a large volume in many different hand-writings, bearing every evidence of having been daily written up, could have been tampered with.

Finally the minutes of the Executive meetings of the Communist International were examined, and this, says the report, gave a very complete knowledge of the whole recent activities of the Communist International between June and October, 1924.

Before leaving, the deputation satisfied themselves that there was no other channel in the Communist International departments by which a letter signed by M. Zinoviev, could have been either discussed, drafted or issued.

This inspection convinced them, so far as a negative can be proved, that no "Red Letter" ever left the Communist International.

After criticizing the "Red Letter" from the point of view of internal evidence, the delegation concludes that it has produced evidence that should satisfy all open-minded opinion that the "Red Letter" was a forgery. It further claims to have exposed the probable sources used by the forger. And, finally, that enough of the information in its possession has been published to convince any reader open to conviction that if a similar investigation were undertaken in London it would certainly expose who the forger was.

Alleged Threats to Soviet Envoy in London

During the closing days of May the Conservative British paper the "Daily Mail" of London, followed by several Conservative evening papers, reported that the Soviet Envoy had made a request to the police for protection in view of threatening letters received by him; and the Soviet Embassy, so the newspaper accounts asserted, was accordingly being guarded by armed policemen.

In an interview with a correspondent of the Soviet press Mr. Rakovsky, the Soviet Plenipotentiary Representative in London, declared that the first information of his request to the police came to him from the newspapers, and he added that he himself knew nothing whatsoever of any threats.

Anglo-Soviet Conciliation Association

According to a report published in the "Izvestia" of May 30, there was formed in London a society known as the Anglo-Russian Conciliation Association, whose aim it will be to assist in the improvement of relations between England and the Soviet Union. The President of the Association is Sir Charles Stewart, a former public trustee, and the members of the Board of Directors are: Mayor Boyd Carpenter, Sir Robert Gower, and Arthur Thornton; the organizer of the Society is Mr. Stafford Talbot, who recently resigned from the post of Vice-President of the Association of British Creditors of Russia.

Anti-Soviet Forgeries

On May 24 the German authorities arrested the well known White-Guardist Druzhelovsky in Berlin. As the result of a search he was found to be in possession of various forged seals and blanks of different departments of the Soviet Government and of the Communist International. He also had a number of forged documents in his possession, including those published recently by the foreign press.

Evacuation of Northern Sakhalin Completed

On the occasion of the completion of the evacuation of Northern Sakhalin by the Japanese Army of Occupation, General Inoue, the Commander, issued the following proclamation:

"The headquarters of the Army had completed the withdrawal of the troops from the district south of latitude 51.10 degrees North and longitude 142.30 degrees East in Northern Sakhalin by noon of May 15, 1925, and surrendered the administration over the region to the authorities of the Union of Soviet Socialist Republics, thereby releasing it from Japanese occupation. In this way, the withdrawal of the Japanese troops has been completed in accordance with Article 3 of Protocol A of the Treaty governing the basic policy regulating the relations between Japan and the Union of Soviet Socialist Republics, concluded on January 20. We take this opportunity to wish Northern Sakhalin prosperity and the future strengthening of good relations."

Appointment of Japanese Ambassador to Soviet Union

Late in May the Japanese Government appointed Mr. Tanaka Tokitsi to the post of Envoy Extraordinary and Minister Plenipotentiary to the Union of Socialist Soviet Republics.

Soviet-Japanese Agreement and the League of Nations

On May 25 the Japanese Government submitted for registration by the General Secretary of the League of Nations the Soviet-Japanese agreement signed in Peking during January, 1925.

Cultural Life in the Soviet Union

Higher Educational Institutions in Soviet Russia

EARLY in 1925 the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) heard a report by Mr. Khodorovsky, Acting People's Commissar for Education of the R. S. F. S. R. on the "Situation of Higher Educational Institutions in the R. S. F. S. R."

Before the Revolution there were in round figures 95,000 students in all the higher educational institutions within the present territory of the R. S. F. S. R. During and after the years of the Revolution great streams of working class and peasant youth, who had been shut off from the higher educational institutions before that time, flowed to these establishments. As a consequence of the extremely large registration by 1924 the 96 higher educational institutions had an aggregate student body of 140,000.

As a result of the reorganization of the higher educational institutions effected by the People's Commissariat for Education in the summer of 1924 the R. S. F. S. R. now possesses 87 higher educational establishments with a total of 118,000 to 120,000 students, and toward the end of the present year the number of institutions will be further reduced to 74 with the total of students undiminished.

The system of higher educational institutions will remain in the immediate future more or less as it stands at the end of the current school year. If it is considered that the number of new registrations was at first reduced and then brought to normal and that in the near future the large classes admitted in 1922 and 1923 will be graduated, it may be expected that within two and a half and three years the total number of students will be reduced to 100,000, which is the normal amount for the available institutions.

The further growth of the student body will depend upon an increase in the number of higher educational institutions, which will in its turn be determined by the country's economic progress.

The material resources of higher education in the R. S. F. S. R. have increased considerably during the elapsed year. In round figures the appropriations made for higher educational institutions by the Government were 11,500,000 gold rubles in 1922-23, 15,300,000 gold rubles in 1923-24, and over 27,000,000 gold rubles in 1924-25, so that the disbursements have grown two and a half-fold during the past two years.

The larger appropriations rendered it possible to increase the remuneration of the teaching staff. At the present time for six hours of teaching a professor receives a monthly salary of 80 gold rubles. This is, of course, quite inadequate and far from the standard of pre-war times, but it is two and a half times more than was received in

June 1924, so that it undoubtedly represents a long stride forward.

The material situation of the student body likewise improved to a marked extent. The number of scholarships to higher educational institutions totals 34,000 (exclusive of the 25,000 scholarships for students in workers' colleges).

The extent of the scholarship payments has doubled as compared with the previous year, having risen to 20 gold rubles in the industrial centers and to 15 gold rubles in the provinces.

Housing conditions for the student body have also improved considerably. Throughout the R. S. F. S. R. there are accommodations for 37,000 persons in students' community homes, which makes it possible to care for all those to whom scholarships are awarded.

The People's Commissariat for Education of the R. S. F. S. R. recommended that the minimum entrance age for registrants during 1925 should be raised from 16 to 17 years as best according with requirements of a physiological, sanitary and socio-political character, and that the total number of new students be set at 18,000, which would constitute an increase of 17 per cent on the average over the actual admittances in 1924. Preference will be given to students (up to a total of 8,000) entering the higher educational institutions from the workers colleges. The rest of the places will be distributed among the trade union, party, Communist Youth and other public organizations.

All the organizations authorized to recommend students are obliged to reserve a substantial number of places for peasants engaged in agriculture. Apart from this a definite number of places is to be set aside for demobilized peasant soldiers and sailors, as well as for Red Army and Navy invalids. The latter may enter higher educational institutions without recommendation upon fulfilling the entrance requirements as to general education. The Acting People's Commissar for Education of the R. S. F. S. R. estimated that of the total new registration of 18,000 in 1925 not less than 6,000 places would be reserved to peasants.

In examining the general situation of the higher educational institutions as it has at present shaped itself, the Acting Commissar for Education concluded that the most grievous period is past, that a forward movement has made itself apparent, and that the body of professors desires to participate and is participating in the active work of the higher educational institutions. The spirit of the student body is steadfast and sound, and a working-class atmosphere prevails in the institutions. This creates all the necessary prerequisites for further improvement and systematization of the whole course of educational activity in the higher institutions.

In connection with the foregoing report the Council of People's Commissars of the R. S. F. S. R. passed a resolution, whose principal provisions are indicated below.

The resolution in question approved the measures adopted by the People's Commissariat for Education in its endeavors to regulate the activities of the higher educational institutions, fixed the minimum entrance age at 17 years, and set the total number of new students to be admitted during 1925 at 18,000. It also formulated rules for the distribution of places in accordance with the general recommendations made in the report of Acting Commissar for Education Khodorovsky. In addition the Council of People's Commissars took steps to provide further opportunities for practical production work by students in the higher educational institutions. Toward this end the resolution makes it obligatory upon economic bodies and State and cooperative institutions and enterprises to provide practice for students in higher educational institutions.

Literature of the Soviet Union in Figures

THE growth of book production in the Soviet Union during the past three years is shown by the following table:

	1912	1922	1923	1924
	Quantity	Quantity	Quantity	Quantity
Titles	22,000	8,000	12,300	15,600
Copies	800,000,000	200,000,000	625,000,000	900,000,000
Average number of pages per book	96	69	104	108
Average copies per title	6,000	4,300	6,000	8,500

These figures represent the following percentage as compared with the figures of 1912 which are taken as 100 per cent:

	1912	1922	1923	1924
Titles	100%	36.4%	55%	71%
Copies	100%	25%	78%	113%
Average number of pages	100%	71.7%	108%	113%
Average copies per title	100%	71.7%	100%	142%

These figures demonstrate that Soviet book production has outstripped the pre-war volume with respect to the total number of copies printed. If it is taken into consideration that 1912 was the record pre-war year for the output of books and also that the statistics for 1912 refer to the entire territory of the former Russian Empire, including Poland, Finland, Latvia and other areas which are at present independent states, the showing is still more striking. At the same time the decrease in the number of titles and the larger average printings indicate a wider distribution of the new books amongst the reading public.

Toward the beginning of the year 1925 book sales in the Soviet Union had also approached quite close to the pre-war record. The book-selling organization has likewise expanded considerably. At the present time there are 1,900 bookselling establishments throughout the Union.

Qualitative progress has gone hand in hand with quantitative achievements. First mention here must be given to the inauguration and rapid growth of book printing in the tongues of the non-Russian nationalities within the Soviet Union. The speed of this growth not only does not fall behind the general rate of book production, but even exceeds the latter. Thus, publication in non-Russian languages was as follows in percentage relation to the total output:

Percentage of Book Output in Non-Russian Tongues

	1922	1923	1924
Titles	11%	13%	15%
Copies	10%	11%	14%

The second significant fact illustrating the qualitative achievements in book production, is the considerable increase of publications intended for the general mass of readers.

What are the Soviet publishing houses putting out? The December, 1924, output of 23 Moscow and Leningrad publishing houses with 13 in other cities, which together issue 86 per cent of the entire quantity of Soviet books placed on the market, will serve as an answer to this question.

The literature issued by these publishers was distributed as follows percentually among the various classes of works: belles-lettres—10.6 per cent of the total; sociologic-economic—9.1 per cent; Lenin literature—8.2 per cent; textbooks—7.6 per cent; popular political—6.8 per cent; peasant literature—6 per cent; juvenile—5.9 per cent; agricultural—5.4 per cent; popularization of science 5 per cent; pedagogics—4.6 per cent; science—4 per cent; reference books and reports 3.9 per cent; children's—3.7 per cent; military—2.9 per cent; current topics—2.7 per cent; cooperative—1.9 per cent; juridical—0.4 per cent; unclassified—11.3 per cent. The average number of pages is 88 to 104.

During the month of December the above publishers put out 102 different periodical publications with 206 issues. The following were the groups to which the largest percentages of the periodicals belonged: pedagogics—10.5 per cent of the total; science—7.4 per cent; juvenile—6 per cent; agriculture—5.2 per cent; sociologic-economic—5.2 per cent; news—6.9 per cent.

The average number of copies printed per periodical issue was from 7,712 to 13,312.

The development of the book and newspaper business in the Soviet Union during the years of revolution is the best index of the general pace of the country's progress and of the restoration of its economic strength.

Miscellaneous News

Patents in the Soviet Union

The Soviet Government has notified foreign inventors and patentees that under the new patent law adopted last fall patents issued and registered in Russia under the old regime, or applied for prior to November 7, 1918, should be resubmitted to the Inventions Committee, 76, Fontanka, Leningrad, for renewal. Foreign inventors must make their applications through some representative residing in the Soviet Union. Applications for renewals may be made up to September 25.

Graphite Deposits in the Caucasus

Recently press despatches appeared concerning the exploration of graphite deposits in the Turukhan region in Siberia. In this connection it is worth while calling attention to graphite deposits in the Northern Caucasus, near Vladikavkaz in conjunction with which operations for surveying and mining arsenious ores were carried on last year.

The layers of the purer graphite are from 5 to 19 centimeters thick. The best samples taken from one of the layers at a depth of 6.3 sazhen showed a graphite content of from 50 to 60 per cent. The graphite content runs from 10 to 50 per cent.

It is estimated that the deposits contain 7,000,000 poods of graphite. The graphite deposits are conveniently located for exploitation, only a small distance below the surface, and easily accessible, while climatic conditions in the locality are good.

Manganese Ore Exports

According to Soviet customs reports 225,000 tons of manganese ore valued at about \$4,500,000 were exported from the Soviet Union during the first half of the Soviet fiscal year, October 1 to April 1. Most of the ore came from the Chiaturi fields, which will hereafter be developed by the Harriman interests.

On April 1 over half of the Chiaturi manganese planned for export during the current fiscal half-year had been sold on contract to foreign firms.

Students in Soviet Russia

Over one-third of the students in the higher professional colleges in Soviet Russia proper are women, according to statistical data issued by the Chief Bureau for Professional Education in Moscow. At the beginning of the year there were 113,120 students enrolled in these institutions of which 39,960 were women. The engineering schools absorbed over one-third of the students, and one-fifth were studying medicine. The figures are for Soviet Russia alone, which contains about

three-fourths of the population of the Soviet Union.

One-fifth of the students come from working-class families and one-fourth from the peasantry. Nearly one-third are provided with scholarships either by the State or by economic organizations. Only 20 per cent of the students have Communist Party affiliations.

The distribution of the students is as follows:

Medicine	24,581
Agriculture	18,388
Pedagogy	14,928
Engineering	40,417
Economics	10,622
Art	4,234
Total	113,120

Counterfeit Canadian Bank-Notes

Recently rumors began to spread among the public in the Soviet Union about the appearance of counterfeit foreign bank-notes, particularly Canadian dollar notes, on the Moscow money market. The following information has been furnished in this connection by competent circles:

As far back as March one of the State Bank's representatives on the Stock Exchange received an offer of 5,000 Canadian dollars for sale. When the bank-notes were submitted to expert examination in the bank, it was discovered that they were counterfeits. The seller of these notes was arrested and named a Persian citizen from whom he had received the bills for sale. Upon being questioned, this person pointed in turn to another, a certain Chaichi, also a Persian, from whom he had received the Canadian dollars. A search of Chaichi's quarters did, in fact, reveal about 15,000 more of the same Canadian dollars. Simultaneously, however, the same counterfeit notes appeared in other places, namely: in Baku, from where the State Bank received a package of 5,000 dollars, and in Kamenets-Podolsk, where the local branch of the State Bank acquired a 100 dollar bank-note that likewise turned out to be counterfeit.

In view of suspicions as to their authenticity the State Bank sent a 100 dollar bill for expert scrutiny to London, where it was pronounced a counterfeit. Immediately all the Moscow Banks and their branches in Baku, Batum, Tiflis, Tashkent, Erivan, Poltoratsk and Bokhara were advised of the appearance of the counterfeit Canadian bank-notes and received orders to abstain from accepting them.

Besides Chaichi there was arrested in Baku the Persian citizen Sadyk-Emin-Zade, from whom Chaichi had obtained the counterfeit bank-notes.

Vigorous investigations are being carried on at present in connection with the affair.

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Execution of Soviet Foreign Trade Program
Trade Relations with the United States
American Concessions in the U. S. S. R.
Jewish Agricultural Colonies in the U. S. S. R.
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Execution of Export and Import Program

THE Soviet Union's foreign trade program called for exports of 106,000,000 gold rubles during the first quarter of the current fiscal year and 99,000,000 gold rubles during the second quarter, making a total of 205,000,000 gold rubles for the opening half of the annual period. The value of the country's actual exports amounted to 119,000,000 gold rubles for the first quarter and 112,000,000 gold rubles for the second, bringing the aggregate for the half year up to 231,000,000 gold rubles and surpassing the program figure by 26,000,000 gold rubles.

The foregoing actual export figures are based upon customs statistics. On the basis of preliminary data furnished by the various exporting organizations the value of the Soviet Union's ex-

ports for the first half of 1924-25 aggregated 240,500,000 gold rubles, or over 34,000,000 gold rubles in excess of the program forecast. The discrepancy between the customs statistics and the figures supplied by the exporting organizations must be attributed mainly to shipments across the Asiatic frontiers, for which the compilation of official customs statistics is relatively slower than for the European borders. It may therefore be concluded that the figures furnished by the exporting enterprises represent the actual export volume more closely.

The following table gives the program forecasts and the actual exports for the most important individual commodities in goods and gold rubles:

Commodity	Exports Program for 1st Half of 1924-25		Actual Exports for 1st Half of 1924-25*		Percentage of Program Value Exported
	In Goods	In Gold Rubles	In Goods	In Gold Rubles	
Grain, Seeds and Oil-Cake.....	28,550,000	44,267,000	30,889,000	48,834,000	110
Flax and Tow.....	1,550,000	23,250,000	3,078,000	49,730,000	213
Timber Products.....	34,600,000	23,200,000	30,983,000	20,277,000	88
Furs	—	29,200,000	—	33,972,000	116
Bristles	40,000	5,000,000	52,000	7,238,000	145
Eggs	725 car loads	4,050,000	1,337 car loads	8,062,000	199
Butter	135,000	2,760,000	132,000	2,690,000	97
Oil Products	31,225,000	21,137,000	30,801,000	23,285,000	105
Manganese Ores	7,000,000	3,500,000	15,108,000	8,190,000	—
Iron Ores	4,000,000	600,000	2,106,000	327,000	—

From the preceding table it is evident that almost all the leading export items registered increases above the proposed export program.

In the case of iron and manganese ores the absence of a program figure for the first quarter makes a comparison between forecast and fulfillment possible only for the second quarter, for which manganese ores showed an excess of 50 per cent, while iron ores fell 66 per cent short of the scheduled volume.

A comparison of the exports of the principal commodities during the first half of the current fiscal year with the figures (in goods) for the corresponding half of 1923-24 yields the following results:

Commodity	1st Half of 1923-24	1st Half of 1924-25	% of 1923-24
Grain Products....	118,106,000	30,839,000	26.2
Flax and Tow.....	1,394,000	3,078,000	220
Timber Products...	33,511,000	30,983,000	92
Bristles	21,000	52,000	247.0
Butter	158,000	132,000	83.0
Eggs.....	46 million Eggs	201 million Eggs	437.0
Oil Products.....	15,062,000	30,801,000	201.2
Iron Ores.....	70,000	2,106,000	3008.0
Manganese Ores..	12,174,000	15,108,000	124.0

Thus, shipments of all the leading export commodities except three increased at quite a rapid rate during the first half of the current fiscal year.

The country's import policy was effected under extremely difficult conditions in 1924, when the financial considerations rendered necessary the curtailment of imports within the narrowest possible limits.

The poor harvest of 1924 prevented the more or less adequate satisfaction of the country's economic import needs; it cut down the possible exports by from 200,000,000 to 250,000,000 gold rubles consequently cutting off an equivalent

*The export figures for the first quarter were established according to the data of the exporting organizations, while those for the second quarter were established according to the data of the customs statistics. The figures of the exporting organizations differ from those of the customs statistics in view of the fact that the dates on which the shipments were recorded by the exporting organizations did not coincide with the dates on which those cargoes were recorded by the customs offices. This also explains some slight divergencies from the figures published in the June 15 issue of the "Russian Review."

amount of imports. Nevertheless, the execution of the import program is proceeding with a considerable surplus as compared with the previous year and is taking place under comparatively better conditions. The following figures illustrate the accomplishment of the import program for the first half of the present fiscal year:

Commodity Group	Imports for 1st Half of 1924-25 in Gold Rubles
Raw Materials.....	83,000,000
Semi-Manufactured Products.....	42,000,000
Metal Manufactures.....	58,000,000
Staple Consumption Goods.....	50,000,000
Total	233,000,000

Thus, for the first six months of 1924-25 the imports of raw and semi-manufactured products, mechanical equipment and tools aggregated 183,000,000 gold rubles, while articles of staple consumption totaled 50,000,000 gold rubles.

The following table shows the Soviet Union's foreign trade turnover by quarters for the first half of the present fiscal year, in gold rubles at current prices:

	Foreign Trade in Gold Rubles			
	Exports	Imports	Turnover	Balance
October-December	119,277,000	101,055,000	220,332,000	+18,222,000
January-March	111,705,000	132,079,000	243,784,000	-20,374,000
Total for 1st Half Yr.	230,982,000	233,134,000	464,116,000	- 2,152,000

Export Groups and Individual Items

Exports for the half year were divided as follows among the four principal commodity groups:

	Exported during First Half of 1924-25	
	Gold Rubles	Percentage of Total
Foodstuffs	54,775,000	23.7
Raw and Semi-Manufactured Materials	173,217,000	75.0
Live-Stock	944,000	0.4
Manufactures	2,046,000	0.9
Total	230,982,000	100.0

Exports of raw and semi-manufactured materials thus constituted three-fourths of the total, while foodstuffs accounted for about one quarter. The present relation of these two groups is exactly the reverse of that which prevailed during the previous fiscal year.

The next table gives the exports of the leading individual commodities in tons and gold rubles at current prices, according to the data of the customs statistics (these figures show some divergencies from those of the exporting organizations for reasons explained in the preceding page):

	Exported during First Half of 1924-25	
	In Tons	In Gold Rubles
Grain	153,449	14,240,000
Killed Fowl and Game.....	6,327	4,984,000
Butter	2,402	2,994,000
Eggs	13,170	8,923,000
Caviar	1,441	4,432,000
Oil-Cake	172,931	14,944,000
Timber-Products.....	509,697	22,242,000
Seeds	144,654	19,214,000
Furs	999	24,444,000
Bristles	834	6,578,000
Flax, Tow, etc.....	48,787	47,882,000
Hemp and Tow.....	5,257	2,774,000
Manganese Ore	247,551	7,989,000
Oil Products	496,310	23,042,000
Casings	1,427	3,047,000

Destination of Imports

The figures concerning imports for the first half of the current fiscal year, show that industrial raw materials constituted 51.9 per cent of the total, industrial equipment 8.9 per cent, and food products 20.2 per cent, with small percentages of other commodities. The subjoined table groups the imports according to the purpose for which they were intended:

	Imported during First Half of 1924-25	
	In Gold Rubles	Percentage of Total
I. Materials and Products for Industrial and Technical Purposes:		
(a) Production Equipment and Tools.....	20,870,000	8.9
(b) Raw Materials, Semi- Manufactured Products, and Auxiliary Materials.....	120,904,000	51.9
II. Materials and Manufac- tures to be used in Agri- culture	13,884,000	5.9
III. Materials and Manufac- tures for Transportation System	14,658,000	6.3
IV. Fuel	357,000	0.2
V. Articles and Appurtenan- ces connected with Hygiene, Medicine and Sanitation, except those coming under Group VIII	6,447,000	2.8
VI. Foodstuffs, Groceries and Delicacies, except those coming under Group VIII..	47,111,000	20.2
VII. Articles of Personal and Household Use, except those coming under Groups V, VI, and VIII.....	4,494,000	1.9
VIII. Articles of Luxury and Art, and Antiques.....	164,000	0.1
IX. Other Goods.....	4,295,000	1.8
Total for 1st Half Year...	233,134,000	100.0

The quantities of the principal individual commodities imported during the first half of 1924-25 are tabulated below in tons and gold rubles at current prices:

Imported during First Half of 1924-25

	In Tons	In Gold Rubles
Wheat	15,619	2,616,000
Flour	67,431	13,352,000
Tea	2,504	4,303,000
Sugar	83,004	15,226,000
Herrings	65,328	8,245,000
Leather	5,561	10,359,000
Rubber	1,765	2,512,000
Tanning Materials	26,105	3,811,000
Dyes	3,359	8,334,000
Lead	5,966	2,199,000
Locomotives	6,667	8,055,000
Tractors	5,082	4,259,000
Airplane Parts	326	4,599,000
Paper Pulp	38,085	3,250,000
Printing Paper	38,838	5,820,000
Cotton	24,724	33,965,000
Wool	3,518	21,893,000

Soviet Trade according to Countries

As regards the role played by the various foreign countries in the Soviet Union's external trade turnover, England is well in the lead with 26.6 per cent of the total for the half year in question, followed by Germany with 16.9 per cent, and the United States with 11.4 per cent. With respect to the volume of commodities imported by the Soviet Union, the United States holds second place, closely followed by Germany. The next table shows the Soviet Union's trade with the leading foreign countries during the first half of 1924-25 (in gold rubles at current prices):

Foreign Country	Exported to	Imported from	Turnover	Per Cent of Total
England ...	69,080,000	54,429,000	123,509,000	26.6
Germany ...	37,518,000	40,679,000	78,197,000	16.9
United States	9,433,000	43,309,000	52,742,000	11.4
Latvia	41,604,000	1,229,000	42,833,000	9.2
Other Countries	73,347,000	93,488,000	166,835,000	35.9
Total ..	230,982,000	233,134,000	464,116,000	100.0

Commodity	Exports for 1st Half of 1924-25		Exports for 1st Half of 1923-24		Percentage Ratio of 1924-25 to 1923-24
	Gold Rubles	Per Cent of Total	Gold Rubles	Per Cent of Total	
Grain.....	14,665,000	9.5	139,556,000	65.7	10.5
Oil-Cake.....	14,944,000	9.6	12,013,000	5.7	124.4
Seeds.....	19,212,000	12.4	5,903,000	3.0	301.9
Butter.....	2,994,000	1.9	3,910,000	1.6	76.6
Eggs.....	8,923,000	5.8	2,558,000	1.2	348.8
Flax, Tow, etc.....	47,882,000	30.8	14,012,000	6.6	316.9
Furs.....	24,444,000	15.8	25,782,000	12.1	94.8
Others.....	21,978,000	14.2	8,702,000	4.1	291.1
Total.....	155,042,000	100.0	212,406,000	100.0	—
	72.9%		100%		

The following conclusions may be drawn from the foregoing brief analysis of the Soviet Union's agricultural exports during the first half of 1924-25:

1. Notwithstanding the sharp curtailment of grain shipments, the decrease of agricultural exports as a whole has been relatively small.

Agricultural Exports during First Half of 1924-25

The Soviet Union's total exports of all commodities during the first half of the current fiscal year were not much less than for the corresponding part of the previous fiscal year. Figured at current prices, the aggregate value of the exports for the first six months of the present fiscal year was 231,000,000 gold rubles as against 267,000,000 gold rubles for the initial half of the preceding fiscal year, a decrease of 13.4 per cent.

The percentage of decrease to be recorded in the case of agricultural exports is larger than that for the general export trade as compared with the foregoing year. This is altogether understandable, since the sharp curtailment of grain exports for the period in question would naturally be reflected first of all in the dimensions of the agricultural export group. Nevertheless, even in this export division the decrease in the volume of export trade as compared with the previous fiscal year is much less than might have been expected in view of the predominating part played by grain exports during 1923-24.

In fact, the value of agricultural exports for the opening half of the current fiscal year totaled 155,040,000 gold rubles as compared with 212,400,000 gold rubles for the same portion of the preceding fiscal year. This represents a decline of 57,360,000 gold rubles, but it must be remembered that the exportation of grain fell at the same time from 139,400,000 gold rubles down to 14,600,000 gold rubles, a shrinkage of 124,800,000 gold rubles. It is therefore evident that most of the decrease in grain exports was compensated by the increased exportation of other agricultural products. The accompanying table, based on preliminary customs data, shows which these products were and includes the previous year's figures for comparative purposes:

2. A considerable increase in the exportation of other agricultural commodities has largely made up for the marked diminution of grain exports.

3. The general make-up of the agricultural export trade now displays a more evenly balanced distribution among the various items as compared with last year, and there has been an increase in

the exportation of the most profitable and most intensive crops, as well as of agricultural products of "secondary" importance.

These conclusions, applying to the season when grain commonly plays a particularly large part in the export trade, justify the belief that the exportation of agricultural products will increase during the second half of the fiscal year, which includes the summer months, when other agricultural products, such as butter, eggs, etc., are leading export items.

Industrial Exports for First Half of 1924-25

An analysis of the individual export items in the Soviet Union's foreign trade for the first half of the current fiscal year justifies the conclusion that on the whole the program for industrial exports is being carried out normally, and in the case of a few items exports and sales have even surpassed the forecasts.

Timber Materials.—Exports of this commodity totaled 20,277,000 gold rubles for the opening six months (October 1924 to March 1925, inclusive) of the present fiscal year.

Petroleum Products.—According to customs statistics 30,800,000 poods of oil products worth 23,300,000 gold rubles were exported during the expired half of the fiscal year. However, sales, including the quantity actually exported, amounted to more than 78,000,000 poods, valued at approximately 58,000,000 gold rubles, for the same semi-annual period. For the fiscal year 1923-24 the exports of petroleum products aggregated 37,974,000 gold rubles.

The program plan did not provide for the exportation of certain types of oil, such as cylinder oil, residue lubricating oil, and other kinds, of which over 2,500,000 gold rubles' worth were sold for export.

The demand for Soviet oil products on the part of the consuming countries is increasing. The transportation system is taking care of the export shipments and can handle a still larger volume. All this furnishes a justification for drawing the conclusion that the quantity of oil exported will exceed the program, while its total value will be from 15 to 17 per cent above the forecast, since there is a considerable proportion of high-priced lubricating oils among the lots already sold.

Manganese Ores.—Customs figures for the first six months of 1924-25 show total manganese ore exports of 15,100,000 poods, worth 8,200,000 gold rubles, mainly from Chiaturi, as the Southern Ore Trust started to export manganese ores from the Nikopol mines only toward the end of January.

During the fiscal year 1923-24 manganese ores totaling 16,269,000 gold rubles in value were exported from the Soviet Union.

Asbestos.—According to customs figures exports of asbestos amounted to 841,000 gold rubles for the first four months of the current fiscal year. Sales of asbestos for export aggregated about 1,400,000 gold rubles, which exceeds the annual total proposed in the program. During the previous fiscal year asbestos exports had a total value of 1,160,000 gold rubles.

Precious Stones.—The program called for exports of semi-precious stones, emeralds and uncut gems. During the preceding fiscal year and the beginning of the present fiscal year exports moved very sluggishly, but during the second quarter there was a substantial rise. During the first half of the present fiscal year exports of precious stones aggregated 794,000 gold rubles in value, while sales abroad for the same period totaled 810,000 gold rubles, these figures including stones exported the previous year. Export sales of precious stones for the first half of 1924-25 exceeded the program quota by 60 per cent. There is an evident demand abroad for the Soviet Union's precious stones.

Coal.—During the preceding year coal to the value of 970,000 gold rubles was exported by the Soviet Union.

Coal exports from the Donets Basin for the initial quarter of the present fiscal year were very slight; and only 623,000 poods were exported during the first four months. However, at the beginning of the second quarter the Coal Export Bureau closed a contract for the sale of coal for navigation purposes in 1925 which calls for the delivery of 15,000,000 poods of coal up to the end of the current fiscal year, i. e., up to October 1, 1925.

As regards Far-Eastern coal, 2,400,000 poods have already been exported from the Suchan mines to Manchuria during the first half of 1924-25. Altogether, on the basis of firm sales already effected, the combined exports of Donets and Far-Eastern coal will amount to 19,000,000 poods instead of the total of 16,000,000 poods specified in the program.

Increased exports of Donets coal began to be made through the port of Mariupol after the opening of the navigation season.

Alkali Products.—During the first half of the current fiscal year about 420,000 poods of caustic and calcined products were exported and 20,000 tons were sold abroad, i. e., somewhat in excess of the program.

Sodium Sulphate.—During the first six months of 1924-25 the Northern Chemical Trust sold 900 tons of this product for export, although it was not included in the export program.

Cement.—Cement exports surpassed all plans and expectations. The Soviet Union's Portland cement proved to be the best on the foreign mar-

kets in point of quality. It is only during the current fiscal year that Soviet cement has begun to win an outlet in Near-Eastern markets, Russia's cement exports having been insignificant before the War. In place of 180,000 barrels as proposed in the program, cement sales for export amounted to 201,000 barrels, of which only 50,000 barrels were exported during the first half of the present fiscal year, since the basic contract was not closed until late. Cement exports are continuing successfully.

Thanks to its high quality, the consumption of Soviet cement and the demand for it are increasing in the Near East.

Textile Products.—The products of the textile industries occupy a special position in the Soviet Union's export trade. Without any particular effort on the part of the exporting organizations the exports of these commodities totaled approximately 14,000,000 gold rubles for the first half of 1924-25.

Dry Goods.—Soviet exports of dry-goods to the East are increasing from month to month and, at any event, they show a marked growth as compared with 1923-24. During the first half of the current fiscal year the All-Russian Textile Syndicate shipped 1,942,000 gold rubles' worth of textiles to Persia alone.

Rags and Waste.—This item of the Soviet Union's export trade will undoubtedly be doubled. The collection of rags by the various organizations is proceeding more successfully this year than last. During the opening half of 1924-25 the All-Russian Textile Syndicate alone sold to foreign countries 1,670,000 gold rubles' worth of rags and has already forwarded over 1,000,000 gold rubles of this article. In general, there is a big future for the exportation of rags and waste during forthcoming years.

Rope.—Almost half of the annual export program was fulfilled during the first four months. The demand for the Soviet Union's tarred ropes continues to grow not only in the western countries (Finland), but also in the Near East (Turkey). The Soviet Union's increasing production of ropes and the growing demand for them permit their exportation to be enlarged from one and a half to two times as compared with the program.

Metal Manufactures.—This is a very interesting item in the Soviet Union's export trade. The principal markets for these manufactures (mainly rails and agricultural machinery) are the countries of the Central and Far East. The Soviet Union's exports of all varieties of metal manufactures totaled almost 4,000,000 gold rubles in value for the fiscal year 1923-24. The data covering the exportation of metal manufactures during the current fiscal year indicate that the

volume is expanding. This development undoubtedly possesses enormous economic significance in the Soviet Union's interrelations with the countries of the East.

Ozocerite.—The exports of Cheleken and Fergana ozocerite constitute 2,200 poods for the first half of 1924-25. Although ozocerite is not a leading export item, it should be observed that it finds a ready sale on foreign markets.

Oil-Cake.—During the expired half of the current fiscal year 10,540,000 poods of oil-cake were exported from the Soviet Union as compared with exports of 17,835,000 poods for the entire fiscal year 1923-24.

Vegetable Oils.—As was also the case last year, the exports of this commodity during the current fiscal year do not promise to make it a major export item. According to the statistics of the Supreme Council of National Economy, over 200,000 poods of vegetable oils have been exported during the expired half of the current fiscal year, as compared with exports of over 250,000 poods during 1923-24. Notwithstanding the fact that the foreign market conditions for Soviet sunflower-seed and cotton-seed oils are very advantageous, the oil-pressing industry is reluctant to export these oils, because prices in certain parts of the domestic market are higher than the export prices.

Sugar.—The data of the Sugar Trust show that exports to the Near East are proceeding normally, about 800,000 poods having been shipped during the first six months of the fiscal year 1924-25.

Glass, China and Porcelain Ware.—During the first quarter of the present fiscal year 192,000 gold rubles' worth of these articles were exported. The fulfilment of the export program depends primarily upon transactions at the Baku Fair, which had developed successfully according to the latest available reports. The silicate industry is making strenuous efforts to fulfill the program quotas.

Rubber Shoes.—During the first five months of 1924-25 exports of rubber shoes proceeded without a hitch, the total for this period being 259,000 pairs.

Matches.—Match exports for the elapsed half of the present fiscal year amounted to 61,000 cases, worth 323,000 gold rubles. Quantitatively the export quota set for the match industry will be fulfilled, but a certain deficiency is expected as regards the aggregate value.

Home-craft ("kustar") manufactures and other minor export articles, such as paper, fruit flavors, etc., are being exported in normal amounts and the outlook for this division of foreign trade is most satisfactory.

Soviet Union's Foreign Trade in April

According to preliminary statistics the Soviet Union's foreign trade in April of the current fiscal year, as compared with March, was as follows, in tons and gold rubles at current prices:

<i>Quantities in Tons</i>				
	Exports Tons	Imports Tons	Total Turnover Tons	
March	319,000	172,000	491,000	
April	277,457	213,892	491,149	

<i>Value in Gold Rubles</i>				
	Exports Gold Rubles	Imports Gold Rubles	Total Turnover Gold Rubles	Balance Gold Rubles
March	32,879,000	54,946,000	87,825,000	—22,067,000
April	29,725,000	62,783,000	92,508,000	—33,058,000

As these figures show, the value of Soviet exports in April decreased by 3,154,000 gold rubles, or 9.6 per cent, as compared with March, whereas the value of the imports grew by 7,837,000 gold rubles, or 14.2 per cent, the total foreign trade turnover increasing by 5.3 per cent. As regards the trade balance, in consequence of the simultaneous contraction of exports and expansion of imports the adverse balance increased from 22,067,000 gold rubles in March to 33,058,000 gold rubles in April.

Oil products valued at over 6,000,000 rubles and furs valued at 4,600,000 rubles led the export list, though showing a slight falling off from March. Imports included upwards of 23,000,000 rubles worth of flour and grain, nearly 4,000,000 rubles worth of agricultural machinery and tractors, and 1,235,000 rubles worth of industrial machinery.

Soviet Imports and Exports in May

According to preliminary data the Soviet Union's foreign trade turnover for May reached a total of 126,300,000 gold rubles. Imports show a considerable increase, rising to 87,800,000 gold rubles as compared with 62,783,000 gold rubles for April. After several months of declining exports an upturn was registered in May, the aggregate value of the country's exports ascending to 38,500,000 gold rubles from the April level of 29,725,000 gold rubles.

Export Possibilities of the Far-Eastern Region

The principal items of the Far-Eastern Region's export trade are agricultural products, as shown in the ensuing paragraphs:

Linseed—The increasing exports of this commodity from the Far-Eastern Region have stimulated larger linseed sowings, as the following figures illustrate: sown in 1910—1,500 dessiatins; 1911—5,000; 1916—11,535; 1917—14,000; 1920—20,000; 1922—14,000; 1923—12,000. In step with

this expansion of the linseed area the exports rose from 49,000 poods in 1917 to 379,000 poods in 1923 in the course of which year the Far-Eastern State Trading Office shipped out 344,000 poods.

Beans—The cultivation of beans is a comparatively new branch of agriculture in the Maritime Province, but it is beginning to attain a prominent place, as the following planting statistics demonstrate; plantings in 1915—4,801 dessiatins; 1916—4,966 dessiatins; 1917—7,767; 1919—7,768; 1922—9,420. Bean exports for 1923 totaled 318,000 poods (the first half-year season), the Far Eastern State Trading Office having handled about 190,000 poods of this amount. This total includes transit shipments routed through the Far-Eastern Region from other sections.

Rice—Of late years the cultivation of rice has also won a recognized place for itself in the Far-Eastern Region and gives promise of large export possibilities. In 1923 the exports of rice amounted to approximately 100,000 poods. A considerable part of this trade also fell to the share of the Far-Eastern State Trading Office.

Buckwheat and Oats—During recent years the sowings of these grains have displayed a tendency to decrease, making way for more profitable crops. Buckwheat exports for the 1923-24 export season aggregated 87,000 poods (17,000 poods of this total falling to the share of the Far-Eastern State Trading Office). The foreign trade program for the fiscal year 1924-25 calls for the exportation of 500,000 poods of oats from the Russian Far-East.

Bran and Oil-Cake—The exports of these two commodities in 1923 (for six months) comprised 161,000 poods, of which the Far-Eastern State Trading Office handled 28,000 poods.

Apart from agricultural products, an important part is played in the export trade of the Far-Eastern Region by fish, furs, timber, and coal.

Fish—The total exports of fish products range from 3,500,000 to 5,000,000 poods a year, the trade still being mainly in the hands of Japanese fishery contractors.

Furs—The value of fur exports for the past years is approximately 3,000,000 gold rubles, including the output of the Okhotsk-Kamchatka region.

Timber and Coal—Future export prospects for timber are very promising. Last year, despite competition on the part of more powerful foreign capital, timber exports reached a total of 16,500,000 cubic feet. As regards coal, the exports must be regarded as temporary, since the entire output will be devoted to internal needs upon the restoration of the transportation system.

In addition to the commodities above enumerated, secondary importance is possessed by sea-kale, canned crabs, bones, bone meal, and ginseng root.

Soviet Trade with the Near and Far East

THE table below gives the figures for the Soviet Union's import and export trade with Persia, Turkey, China and Japan. The figures refer to the fiscal year 1923-24 as compared with the calendar year 1913. They have been grouped according to the four chief export and import categories—foodstuffs, raw materials and semi-finished products, live-stock and manufactured articles.

Soviet Trade with Persia, based on Prices of 1913

Exports to Persia

	Fiscal Year 1923-24		Calendar Year 1913		Per Cent of 1913
	Tons	Gold Rubles	Tons	Gold Rubles	
Foodstuffs	36,991	6,407,000	219,148	44,013,000	14.6
Raw materials and semi-finished products.....	13,529	783,000	86,773	3,038,000	25.8
Manufactured articles.....	3,812	1,685,000	16,666	25,916,000	6.5

Imports from Persia

Foodstuffs	77,205	11,047,000	117,794	16,367,000	87.5
Raw materials and semi-finished products.....	17,553	10,224,000	30,884	13,968,000	73.2
Live stock.....	0.8	13,000	467	3,259,000	0.4
Manufactured articles.....	31	53,000	543	1,464,000	3.6

Soviet Trade with Turkey, based on Prices of 1913

Exports to Turkey

	Fiscal Year 1923-24		Calendar Year 1913		Per Cent of 1913
	Tons	Gold Rubles	Tons	Gold Rubles	
Foodstuffs	166,326	12,919,000	204,475	22,780,000	56.7
Raw materials and semi-finished products.....	21,993	11,948,000	208,732	10,506,000	113.8
Manufactured articles.....	—	—	1,412	2,229,000	—

Imports from Turkey

Foodstuffs	1,958	293,000	39,037	12,659,000	2.3
Raw materials and semi-finished products.....	4,230	222,000	25,888	19,241,000	1.1
Live stock.....	—	206,000	—	261,400	78.0
Manufactured articles.....	373	253,000	—	148,000	171.0

Soviet Trade with China, based on Prices of 1913

Exports to China

	Fiscal Year 1923-24		Calendar Year 1913		Per Cent of 1913
	Tons	Gold Rubles	Tons	Gold Rubles	
Foodstuffs	6,512	1,410,000	33,001	6,595,000	21.4
Raw materials and semi-finished products.....	317,041	6,662,000	40,243	3,894,000	180.3
Manufactured articles.....	545	461,900	29,995	34,480,000	1.3

Imports from China

Foodstuffs	19,911	12,076,000	212,359	102,883,000	11.8
Raw materials and semi-finished products.....	12,756	5,383,000	13,500	18,217,000	29.5
Live stock.....	—	1,007,000	—	6,814,000	14.7
Manufactured articles.....	1,130	1,037,000	1,171	3,739,000	27.7

Soviet Trade with Japan, based on Prices of 1913

Exports to Japan

	Fiscal Year 1923-24		Calendar Year 1913		Per Cent of 1913
	Tons	Gold Rubles	Tons	Gold Rubles	
Foodstuffs	94,981	8,167,000	20,935	1,247,000	654.9
Raw materials and semi-finished products.....	606,099	16,259,000	27,815	825,000	1,970.8
Manufactured articles.....	15,606	2,513,000	41	23,000	10,926.1

Imports from Japan

Foodstuffs	4,683	3,580,000	22,227	1,777,000	201.5
Raw materials and semi-finished products.....	3,348	329,000	73,939	1,894,000	17.0
Manufactured articles.....	3,485	2,200,000	189	627,000	350.9

Soviet Trade with America

THE All-Russian Textile Syndicate, Inc., which purchases cotton in the United States for Russian cotton mills, has just completed its purchases of the present crop.

A total of 243,698 bales were purchased by the All-Russian Textile Syndicate, Inc. of the 1924-1925 crop. The value of this cotton c. i. f. Murmansk is \$36,340,000.00. Murmansk is a port on the Arctic Sea to which all shipments of the Syndicate are made.

During the past season 25 steamers have been chartered by the All-Russian Textile Syndicate, Inc. for transporting its purchases of American cotton, as follows: Steamer "Ravnefjell" sailing from Houston, Texas with 8,850 bales; "William Blumer" from Houston and Galveston with 12,600 bales; "Erato" from Galveston, Texas with 6,050 bales; "Dagali" from Galveston, Texas with 6,000 bales; "Songa" from New Orleans, Louisiana with 10,348 bales; "Ravnanger" from New Orleans, Louisiana with 12,452 bales; "Spica" from New Orleans, Louisiana with 9,400 bales; "Barmbek" from Houston, Texas with 9,000 bales; "Kronstad" from New Orleans, Louisiana with 8,200 bales; "Porsanger" from New Orleans, La., with 12,200 bales; "Anna Sofie" from New Orleans, La., with 10,650 bales; "Thuban" from New Orleans, La., with 13,350 bales; "Songa" from Houston, Texas with 10,300 bales; "Hardenberg" from Houston, Texas with 12,400 bales; "Kirsten Maersk" from New Orleans, Louisiana with 8,350 bales; "Susan Maersk" from New Orleans with 8,850 bales; "Larenberg" from Galveston, Texas, with 11,000 bales; "Peursum" from Houston, Texas with 7,400 bales; "Winsum" from Houston, Texas with 10,725 bales; "Trompenberg" from New Orleans, Louisiana with 7,200 bales; "Jakob Maersk" from Houston, Texas with 8,000 bales; "Eilbek" from Houston, Texas with 8,775 bales; "Dampen" from Galveston, Texas with 8,587 bales; "Bussum" from New Orleans, Louisiana with 13,011 bales; "August Leonhardt" from Houston, Texas with 10,000 bales. Total 243,698 bales. The last five steamers are due to sail during July.

During the previous season the Syndicate purchased 189,145 bales of the 1923-24 crop, the total value of which c. i. f. Murmansk amounted to \$31,457,000.00. Twenty ships were used to transport cotton of the 1923-24 crop.

The All-Russian Textile Syndicate, Inc. has purchased since it started its operations in January, 1924, a total of 432,843 bales of the crops of 1923-24 and of 1924-25, the total value of which is \$67,797,000.00. The first shipment was made by the Syndicate on February 8, 1924. These purchases of cotton are financed through New York banks. The Syndicate has satisfactory credit arrangements with The Chase National Bank and The Equitable Trust Company of New York.

The Capital Stock of the All-Russian Textile Syndicate, Inc., which is a New York corporation, is \$1,000,000.00 fully paid in cash.

During the past season the following changes were made in the personnel of the officers and directors of the Syndicate.

Thomas D. Thacher resigned as Director, having been appointed a Judge of the United States District Court of the Southern District of New York. His former partner, George H. Howard, of the firm of Simpson, Thacher & Bartlett, who are the general counsel of the All-Russian Textile Syndicate, Inc., was elected Director in his place. L. M. Oak was elected Director in place of N. Pickering who resigned. Harry M. Durning was elected Assistant Treasurer of the Corporation.

Fritz F. Kilevitz is the President of the Company. He is also the President of the All-Union Textile Syndicate of Moscow, which is a combination of all textile mills in Russia. The other officers are N. M. Matveyev, Vice-President, Alex. Gumberg, Vice-President and Treasurer, who is also the General Manager, and Oswald L. Johnston, Secretary. The directors, in addition to Mr. Howard and Mr. Oak, are Alex. Gumberg, I. J. Hoorgin, and N. M. Matveyev.

During the past season the Syndicate has opened an office in New Orleans. A staff of inspectors is maintained in the South, and every bale that is shipped is thoroughly inspected and weighed.

American Patent Acquired by the U. S. S. R.

The exclusive rights for the whole territory of the Soviet Union to the "Owen's flow machines" used in the manufacture of bottles have been acquired by the All-Russian Syndicate of Silicate Industries, known as the "Prodasilicat" which is controlling the glass and allied industries in the Soviet Union. The contract between the Prodasilicat and the Owen's Bottle Company of Toledo, Ohio, has been negotiated and concluded by the Amtorg Trading Corporation, of New York, acting as the sole agents for the Prodasilicat. The transaction involves the expenditure of about \$1,000,000 by the Russian interests in the purchase of the patents and a number of the machines of the latest types, which have not yet been introduced in Europe, as well as of all future improvements and inventions which may be introduced by the Owen's Bottle Company. The Owen's Bottle Company has also undertaken to cooperate with the Prodasilicat in installing the machines in the Soviet factories and in the instruction of specialists for the operation of the machines.

The signing of the present contract is a decisive step in the development of the Soviet glass industry which is keeping pace with the general industrial revival of the Soviet Union. During the first 6 months of the fiscal year 1924-25, beginning October, 1924, the production of the silicate industries showed an increase of 75 per cent over the

production during the same period in the preceding year.

Duty-Free Admission of American Cement into the Soviet Union

American cement is now admitted duty free into the Soviet Union, according to Order No. 63 of the People's Commissariat of Foreign Trade.

The order relating to American cement was published by the Customs Tariff Committee of the Commissariat of Foreign Trade at the end of April, as a result of a decree of the Council of People's Commissars, adopted in March, reading as follows:

"The customs Tariff Committee is empowered to establish the duty-free entry of cement into the Union of S. S. R. when imported directly from nations permitting cement from the Union of S. S. R. to enter their own territories duty-free."

Export of Casings to America

The United States is now the chief purchaser of Soviet exports of sheep casings (used for sausage covers, etc.) according to statistics of the Soviet State Trading Agency. During the nine months ending March 31 the State Trading Agency exported nearly \$2,000,000 worth of casings, of which 45 per cent went to the United States, 30 per cent to England and 24 per cent to Germany. Before the war Germany monopolized the Russian market for this product. Casings are now exported partly by the State Trading Agency and partly by the cooperative societies.

One Hundred and Forty American Machines in Soviet Auto Trials

During the latter part of June the Organization Committee of the All-Russian Automobile Trials announced that foreign auto companies, especially the American firms, were displaying intense interest in the trials scheduled to take place in July. American manufacturers were to send 100 passenger cars and 40 motor trucks for the competition. The following were among the well-known American makes participating: Pierce Arrow, White, Dodge, Locomobile, and many others.

Notices had also been received that Germany, Austria and a number of other countries would take part.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 arshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 desiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$.514.
- 1 kopeck equals .01 of a ruble.
- 1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

American Mineral Concessions in the Soviet Union

THE concession agreement signed on June 13, 1925 between the Soviet Government and the business firm of Harriman & Company provides for transferring to the latter firm for a period of 20 years the exclusive right to prospect, work and exploit the Chiaturi deposits and to export manganese and manganese peroxide from these deposits, which are located in Sharopan County, Kutais Province, in Transcaucasia.

The concessionary firm is also accorded the right to make use of the land, forests and waters throughout the territory of the Soviet Union for the requirements of the concession under the general regulations in accordance with the prevailing laws of the Union of Soviet Socialist Republics.

The concessionary is exempted from the payment of all taxes and assessments with the exception of minor duties (license, stamp, court-fees and others) as stipulated in the agreement.

The concessionary receives the privilege of importing from abroad articles and machines needed for the equipment and exploitation of the concession enterprise, such equipment to be importable duty-free during the first four years of the concession period, while articles not produced in the Soviet Union and patented abroad shall be importable duty-free during the course of five years from the date the concession is signed.

The Government retains within the concession region a sector containing ore reserves amounting to 15,000,000 tons, which it has the right to work for domestic requirements. In addition to this, throughout the concession period the Government has the privilege of obtaining from the concessionary firm at cost price the quantity of manganese requisite for the industries of the U.S.S.R.

The concessionary engages himself to construct and exploit the concession enterprise in accordance with the latest technical achievements. In particular the concessionary firm is obliged to build new ore washing plants and to mechanize the delivery of ore from the mines to these plants within the first three and a half years, and to erect mechanical loading equipment (an elevator) with an annual loading capacity of 2,000,000 tons at the port of Poti before the end of the fifth year. Within the same term of years the concessionary has to convert the Chiaturi narrow-gauge branch railroad into a broad-gauge line so that the freight capacity of the branch in question may correspond with the loading installation at Poti. The concessionary is also bound to provide with additional equipment the railway sector from Chiaturi to the port of Poti, in order to increase its traffic capacity.

The concessionary firm is obliged to expend not less than \$4,000,000 on the equipment work men-

tioned above, not less than \$1,000,000 of this total to be spent on the construction of the port loading elevator, \$2,000,000 on the branch railroad, and not less than \$1,000,000 on the equipment of the washing plants at Chiaturi.

As soon as its re-equipment is completed, the Chiaturi railway branch passes into the control of the People's Commissariat for Transports, which will move the concessionary's freight with special locomotives and rolling stock supplied for this purpose by the concessionary. The technical specifications for the construction of the railway and the loading equipment at Poti are appended to the agreement, in connection with which the People's Commissariat for Transports is given the right to supervise the building operations. The freight rates to be charged for carrying the concessionary's freight, before as well as after the branch is rebuilt, are stipulated in detail in the agreement.

The concessionary guarantees to export not less than 16,000,000 tons of Chiaturi manganese and manganese peroxide during the term of the concession agreement, annual minimum exports being fixed for each year according to a definite sliding scale. Apart from this, the agreement sets a minimum yearly production program, in conformity with which the concessionary is obliged to produce 300,000 tons during the first year, 400,000 tons the second year, 450,000 tons the third year, and not less than 500,000 tons during each succeeding year.

In return for the concession the holding firm is to make the following payments to the Government in accordance with a system elaborated in detail in the agreement: for manganese—\$3 on each ton exported during the first three years, and \$4 on each ton exported thereafter; for manganese peroxide—\$8 on each ton exported during the first three years, and \$9 on each ton exported during subsequent years. The quantity of manganese peroxide exported may not be less than 4 per cent of the manganese shipments.

In addition to this, the concessionary firm is to make a payment of 2 rubles per hectare on the sectors allotted to it for exploitation, and 100 rubles per hectare on the area turned over to it for building purposes.

In labor matters the concessionary firm submits to the general legislation of the Union of S. S. R.

The agreement also provides that the Government shall participate in the profits of the concessionary firm to the extent of 50 per cent if the price of manganese rises above the fixed sum, in conjunction with which the concessionary must keep special sales accounts.

The concessionary must deposit a security of \$1,000,000 in a foreign bank within three weeks after the agreement is signed and \$1,000,000 in the State Bank of the U. S. S. R. within five days after the dissolution of the "Chemo" (Chiaturi

Manganese Export Company) as an advance on account of future payments.

Disputed questions between the Government and the concessionary firm concerning the interpretation of the contract in whole or in separate clauses, are to be adjudicated by a court of arbitration consisting of one representative of the Soviet Government and one of the concessionary, who select an umpire by mutual agreement. If no agreement is reached concerning an umpire, the Government is to name six candidates from among the professors of the Sorbonne University in Paris or of the University of Oslo and the concessionary is to choose one of these as umpire.

American Asbestos Concession

The Allied American Company stands second to the State "Uralasbest" Trust in the exploitation of the asbestos deposits in the Ural region. This company received a concession covering the Alapayevsk asbestos mines in 1921 and began to work them in May 1922.

The scale of the company's operations is as yet slight, but its working methods merit attention. Thus, in 1922 and 1923 the company concentrated its attention on mining operations, and the work of sorting was far from exhausting the available stocks of ore. With the beginning of the succeeding fiscal year 1923-24 mining operations ceased almost entirely,* and old stocks of ore were utilized. At the same time, besides producing asbestos, the company began to turn out asbestite, a demand for which appeared on the domestic market at this period. The output of asbestite was 524.3 tons in 1923-24, and 357 tons in the first half of 1924-25, while the output of asbestos during the same periods was 522.4 and 351.4 respectively. Only toward the end of the first half of the fiscal year 1924-25 was the mining of ore resumed in conjunction with an intensification of operations.

The proportion of asbestos extracted from the ores constituted 26.4 per cent in 1922 and 30 per cent in 1922-23. Similar results are obtained by the Uralasbest Trust; the latter organization handles ores from the deposits in the Bazhenovsk region, which are considered to be richer than those of the Alapayevsk mines.

The following figures clearly illustrate the activities of the American Company's operations:

Year	Total Work-days put in by the Entire Force	Output at Average Daily Output Prices in Rubles	Average Daily Output per Worker in Rubles
1922 (5 months) ..	19,722	16,479	0.84
1922-23	128,795	113,801	0.88
1923-24	29,504	157,358	5.33
1924-25 (1st half) ..	17,739	77,974	4.40

The sharp increase in the daily output per worker in 1923-24 was entirely due to the above-mentioned methods of conducting the operations.

*The daily average labor force was 164 in 1922, 441 in 1922-23, 101 in 1923-24, and 140 in 1924-25 (first half).

Jewish Agricultural Colonies

TOWARD the middle of March, 1925, great numbers of Jewish farmers started to migrate from the Ukrainian provinces of Volhynia, Podolia, Kiev, Chernigov and Poltava to the district of Kherson. An area of 36,000 dessiatins was set aside for Jewish colonization in 1925. It is proposed to settle about 3,000 families on this land. In addition to this, 6,000 dessiatins of land have been reserved in the Krivoi-Rog region as the basis for a second group of Jewish settlers.

In April 1925 on the total area of 48,000 dessiatins allotted by the People's Commissariat for Agriculture in the Ukraine there had already been settled 1,450 Jewish families, which formed 94 collective farms.

The Jewish colonists are grouped into independent rural Soviets. The registration of Jews desiring to engage in agriculture was carried out in 8 provinces, and 15,000 families with a total of 52,600 persons were registered.

The settlers have bought part of their livestock and equipment with them. Improvement work will be carried on in the new locations with the assistance of the Joint Distribution Committee (a Jewish-American relief organization). The peasant population of the Kherson region has cordially welcomed the Jewish settlers and is extending aid to them in the organization of the farms.

The Commission on Jewish agricultural settlements, attached to the Central Executive Committee of the Soviet Union has granted White Russia a long-term credit of 140,000 gold rubles for enabling Jewish settlers to establish themselves as farmers. During the current summer 1,200 Jewish families will be established on farms. A land allotment of 10,000 dessiatins for farming by Jews in 1925 has already been made. Two hundred gold rubles will be expended in setting up each family agriculturally. The plan for establishing the Jews on farms in White Russia has been approved by the Commission on Jewish Agricultural settlements attached to the Central Executive Committee of the Soviet Union.

Jewish-American Soviet Farm near Moscow

American emigrants have settled on a Soviet farm 40 versts from Moscow near Barybino Station on the Riazan-Ural Railroad. The farm includes 400 dessiatins of land, of which 240 are suitable for cultivation.

Up to the end of April a total of 50 colonists, including women and children, had arrived, but it was expected that the number of settlers would soon grow to 100, as new groups of immigrants were on the way from America.

The immigrants are all Jews, healthy, strong, and enthusiastic. Despite their stay abroad for over fifteen years many of them have not forgotten the Russian language. The children, however, speak only English and Yiddish, the latter being generally employed in the colony. The settlers live on a communal basis with a community kitchen, dining room, bakery, and baths. A community laundry is being organized. The women have equal rights and obligations with the men. They work in the fields and take turns at managing the household. The children participate in the general work of the grown-ups according to their strength.

It is the aim of the colony to create a model farm on the land allotted to it, engaging principally in dairying and poultry raising. The settlers have ordered a large assortment of agricultural machines from America, including three tractors, ensilage machines, cultivators, hay-presses, potato-planters, a set of machines for tractor farming, loading machines, etc. Most of this machinery has already arrived. Hens from America are already on hand and the incubator system of hatching chicks will be employed.

The colonists have 74 cows at their disposal for the dairy farm. It is planned to produce certified milk. American bottling machinery is awaited from America and a system of delivering milk in bottles direct to the consumer will be organized.

The American emigrants will also engage in bee culture, for which purpose they already have 22 hives and they will soon have a considerably larger number.

The farm also includes a fruit orchard, chiefly with pear and apple trees.

The Americans intend to establish close relations with the peasants by giving them useful advice, lending them their machines and implements, and attracting them into their clubs and other activities.

Among the forthcoming tasks of the colony are the construction of a water-pipe system and the electrification of the farm.

At present the immigrants are busied with the establishment of a school with an agricultural bent for their children. The Moscow Board of Education is cooperating with them in this connection. A nine-room house has been set aside for this school, and it will serve as the children's communal home. All the children in the colony will live here, receive instruction, work on a separate plot of land assigned to the children's commune, etc. The children of the neighboring peasantry will also be drawn to this school.

The American Commune is governed by a general assembly, which selects a Council of 9 members and an Executive Committee consisting of the secretary, the treasurer and the manager.

The American Soviet farm, which is called the "Herald," is already seething with activity. Work is done according to a program fixed a week in advance. Each member of the commune is obliged to do a scheduled amount of work each day. There is model discipline in the commune.

The immigrants express deep gratitude for the attention and kindness shown them.

Electrical Power Stations

DURING the period of 30 years from the time the first electric power station was built in Russia during the eighties of the past century until 1917 a total of 561 stations was constructed with an aggregate capacity of 394,000 kilowatts. The construction of regional stations operating with low grade local fuel was not practised at all, only one such station (put into operation in 1914) being counted among the above-mentioned total of 561. Up to 1917 the average annual increase in electric power capacity for the entire country was 13,000 kilowatts.

Electrical construction underwent extraordinary development during post-Revolutionary years and within the eight years from 1917 to 1925 the number of public electric power stations in the Soviet Union almost doubled, rising from 561 to 1,014. The total capacity showed an increase of 36.3 per cent, increasing from 394,000 kilowatts in 1917 to 537,000 kilowatts in 1925.

Taking into account the stations which are nearing completion and will be put into operation during 1925, the average annual increase of electric power capacity during the eight years in question comes to 25,000 kilowatts.

The following table gives the number, character and capacity of the electric power stations in existence at the beginning of 1925:

Type of Station	Total Number	Aggregate Capacity in Kilowatts	Percentage of Total Capacity of All Types	Average Capacity per Station in Kilowatts
Public City Stations...	693	530,009	84	765
Public Rural Stations.	321	6,745	0.4	21
Factory Power Plants	793	976,800	62.7	258
Railway Power Plants	408	43,133	2.8	106
Plants Attached to Commissariat for Posts and Telegraphs	43	1,000	0.1	23
Total	5,258	1,557,687	100	296

Of the 693 city public stations 286 have a capacity of 50 kilowatts or less, 192 stations have a capacity of from 50 to 250 kilowatts. There are only 11 stations with capacities above 10,000 kilowatts and these furnish current to the most important industrial and administrative centers of

the Soviet Union, such as Moscow, Leningrad, Baku.

At the beginning of 1925 the following electric power stations were under construction with locally appropriated funds:

Hydro-electric Stations

	Capacity in Kilowatts
Tifis Station	12,800
Erivan Station	5,000
Tashkent Station	5,000
Batum Station	5,000
Kandopozh Station (in Karelia)	9,000
Total	36,800 Kilowatts

Steam Electric Stations (burning peat to produce Steam)

Sverdlovsk Station	6,000
Yaroslav Station	5,000
Total	11,000 Kilowatts

Local electric station construction is not limited to the above-mentioned plants. Certain provincial capitals, such as Minsk, Novo-Nikolayevsk, Semipalatinsk, and others, are building new electric power stations with capacities up to 3,000 kilowatts. Smaller stations are being built in urban county seats and also in villages.

Soviet-German Air Service

AFTER the end of the civil war the Soviet Union's connections with the outside world expanded considerably. Soviet embassies and trade delegations appeared in almost all the capitals of Europe, so that it became necessary to establish close and above all, fast communication with the Soviet Government and the People's Commissariats. Thanks to the "Deruluft" (German-Russian Aviation Company) airplane service, diplomatic mail began to be delivered quickly not only in Berlin, but through that point to other European centers also.

During the winter of 1921-22 Mr. Stomoniakov, then head of the Soviet Trade Delegation in Germany, brought up the question of aerial communication between the Soviet Republic and Germany. This idea was enthusiastically supported by Lenin, and during the summer of 1922 the first airplane line was opened between Koenigsberg and Moscow under the operation of the German-Russian Aviation Company ("Deruluft").

In May this organization completed the third year of its operations. Since it has primarily promoted communication between Germany and the Soviet Union, an "Izvestia" correspondent requested a statement concerning its service from Mr. N. N. Krestinsky, diplomatic representative of the Soviet Union in Germany, who happened to be in Moscow at the time.

"I am well acquainted with this airplane line," Mr. Krestinsky stated. "It is splendidly equipped with first-class planes, up-to-date in technical perfection and thoroughly adapted to their work. The technical apparatus and the pilots are of such high excellence as to offer the fullest guarantee against accidents. While there were two mishaps during the first year, there were none at all during the second and third years. The flights have been 100 per cent successful. I have personally had occasion to make the flight between Moscow and Berlin several times and I can testify that the line is working irreproachably.

"However, as I have learned, the "Deruluft" company is not content with the successes achieved and is reconstructing its airplanes this year, installing new motors and removing the few shortcomings which were present.

"During the first two years of its activity "Deruluft" made three round trips a week. Last year it made six a week.

"The subsidies from the German and Soviet Governments render it possible for the "Deruluft" company to effect a considerable reduction in its passenger and freight rates, which still remain somewhat higher than railroad rates. Taking into account the fact that the air passage from Berlin to Moscow requires not more than 24 hours, as against 62 to 63 hours by rail, it may be expected that under the new rates, the use of the airplane line for trips in both directions between Moscow and Berlin will assume larger proportions than last year."

Soviet Union-China Airplane Flight

The following details concerning the forthcoming airplane flight from the Soviet Union to China were furnished to a "Pravda" correspondent by Mr. Baranov, head of the Soviet Union's military air forces.

The flight is being organized by the Volunteer Air Fleet Society and the Society of Friends of the Air Fleet. The total distance of the flight will exceed 6,500 kilometers.

Five planes will participate in the flight. Two of these are equipped with 400 horsepower motors; one airplane is equipped with a 230 horsepower motor, and two "Junkers" airplanes with 185 horsepower motors. The three higher power machines are of Soviet construction. A passenger plane of original Russian construction will also take part in addition to the five machines already mentioned.

In view of the fact that it is planned to make stops at the most important points and that the route has been laid out for the arrangement of reports, lectures and flying demonstrations, the flight will take up not less than a month.

The flight will furnish an opportunity to check up the progress of the Soviet Union's aviation industry and air fleet.

Internal Soviet Administration

IN supplementation and extension of the decree regarding personal identification passed by the All-Russian Central Executive Committee and the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) during the year 1923, pursuant to an ordinance of the Council of People's Commissars of the R. S. F. S. R. on April 28, 1925, rules covering the registration of urban population have now been put into force, which, in effect, abolish the internal passport system, since they do away with the individual citizen's need of a specific document for the purpose of registration.

In the event that any citizen finds it necessary to establish his identity, it will be sufficient to present a special identification record which every citizen of the R. S. F. S. R. is privileged, but not obliged, to obtain.

New Regulations for Opening Private Enterprises

The Soviet Government recently confirmed new regulations for the opening of private industrial enterprises.

Small enterprises with a hired force of not more than 20 workers and clerks may be started without special license by all citizens enjoying legal capacity. Enterprises of moderate size employing not more than 100 persons may be opened with the permission of the local authorities. Larger enterprises may be set up by private individuals through the conclusion of a special leasing or concession agreement.

Efforts to Counteract 1924 Crop Failure

The following figures were published in May covering the results of the work done by the Commission headed by Mr. A. I. Rykov to combat the consequences of last year's crop failure.

The Commission fixed the sown area affected by the bad harvest at 7,039,600 dessiatins and the population involved at 8,051,000 persons.

The resources devoted to the struggle to overcome the harmful effects of the crop failure included 45,569,700 gold rubles in money and 38,920,800 poods of grain.

The delivery of grain to the stricken localities was completed by March, 1925. The money appropriated was expended as follows:

Purpose	Amount Expended in Gold Rubles
For preservation of live-stock.....	11,392,000
For public improvement works.....	15,311,000
For children's feeding.....	8,010,000
Food supplies for the population.....	7,500,000
For other needs	3,356,700
Total	45,569,700

Foreign Relations of the U. S. S. R.

Krassin on Franco-Soviet Relations

ON June 21, Mr. L. B. Krassin, the Soviet Union's Envoy to France, made the following statement in an interview with representatives of the Soviet press in Moscow:

At the present time in France we are engaged, on the one hand, in the task of developing normal economic, financial and commercial relations and, on the other hand, in negotiations for the settlement of various disputed questions. I shall begin with the latter.

Early in March our commission of experts, headed by Mr. Preobrazhensky, arrived in Paris for the purpose of determining the total of the Russian Government securities now held in France. This commission has now completed its labors and the experts have submitted to their Governments a report of the results attained. The significance of the commission's work was limited exclusively to statistical and numerical studies and to the comparison of the material. The commission was not empowered to draw, and it did not draw, any conclusions respecting the methods of settling the claims of the French holders. This question is left entirely to the future negotiations between the plenipotentiary delegations of the two Governments.

Generally speaking, there has been quite a considerable delay in the negotiations covering mutual claims. In a substantial measure this is due to the political changes that have occurred in France. The replacement of the Herriot Ministry by that of Painlevé was naturally bound to occasion some delay in conducting the negotiations insofar as the ministerial posts were occupied by different persons, who had to have time to become acquainted with the matters coming under the jurisdiction of each of them.

Within the next few days I shall make a minute report to the Government on the status of the negotiations, and after a thoroughgoing consideration of it the Government will issue guiding instructions for pursuing the negotiations further.

The question of interest to everybody in the Soviet Union, i. e., the return to the Soviet Government of the war fleet carried off by Wrangel and now lying at Bizerta, still remains, unfortunately, in the old status, and we have not as yet succeeded in obtaining the transfer of these vessels to the control of the Soviet Union's Naval authorities.

As regards economic relations with France, notwithstanding quite a number of obstacles, of a general character, as well as some special ones

existing in our interrelations with France, trade is developing on the whole.

Our original assumptions regarding the substantial possibilities for French industry in the sense of its capacity to supply our market with required manufactures and merchandise, have been justified to an extent even larger than we had at first conjectured.

In quite a number of fundamental industrial branches France now possesses magnificently equipped factories and mills with new structures, excellent mechanical apparatus, and an altogether scientific and up-to-date organization of the productive process. Particularly in the field of large-scale production, and especially at this time with the indubitable inception of inflation, i. e., of a low rate of exchange for French francs, the French factories and plants probably have an opportunity of operating more cheaply than those of any other European country. As an instance of a very important and responsible order given to French industry, I can point to the large electrical installation of 17,000 kilowatt capacity for three-phase current ordered from a French firm for the central electric power station of the Azerbaijan Oil Trust in Baku.

We are only in the initial stage of our work of collaboration with French industry. True, the Soviet Trade Delegation in Paris now has a total amount of over 100,000,000 francs of business concluded in France, but this figure is considerably less than what it would have been by now in the absence of those obstacles which hinder the normal development of our commercial and financial relations with France.

One of these obstacles is the fact that French industry and trade are not adequately prepared for operations on the international market.

It is well known that before the war France did not even lay claim to the role of a large exporting country and confined herself to exports of wine, silks, perfumes and other luxury goods. After the war this situation changed radically, and at the present time, both in material resources and in the actual equipment of her industries, France is fully qualified to compete on the international market, not even excluding the branches of heavy industry. But to a considerable degree the psychology of the French capitalists, as well as the organization of the French commercial and financial system lags behind the profound transformation which has already been consummated in the material foundations of French industry.

So long as the French industrialists, merchants and bankers, in the process of expanding trade, do not adopt those operating methods which have

become traditional in England and Germany, the actual business turnover of French industry will fall markedly short of its real possibilities.

Another substantial impediment, which exists in France only with reference to Soviet trade, is a doctrine that has quite influential adherents and that demands that "there must be no endeavor to develop any commercial and economic operations and transactions until the basic disputed questions existing between the two Governments have been settled." Of course, it would be impossible to carry out this doctrine to its logical limit and it would be folly on the part of French industry to refuse to accept on such theoretical grounds the orders offered by our Trade Delegation. It would be just as unreasonable for French manufacturers in need of our raw materials to decline to purchase Soviet flax, bristles, petroleum, etc., merely because the question of debts has not yet been settled. Thus, life takes its course, and business transactions increase from month to month.

Of late the Soviet Trade Delegation in Paris has concluded almost no transactions which were not based upon credit. In some cases credit has been extended for 18 months and in a majority of instances the purchaser's engagement has been sufficient guaranty.

Nevertheless, the above-mentioned doctrine finds expression in the form of various administrative measures, greatly hindering the development of commercial relations. Among such measures must be counted the extreme restrictions in the matter of granting visas and permits to Soviet citizens for entry into France. A considerable part of the difficulties and obstacles encountered by our trade in France is well known to us through our five years of experience in Soviet foreign trade. With great confidence we look for the removal of these difficulties sooner or later in the not distant future in the same manner as we succeeded in removing them more or less in the other countries with which we have trade relations.

It is worth while mentioning that for the purpose of facilitating the operations of our Trade Delegation in Paris the Bank for Foreign Trade recently acquired a small bank there, which will henceforth serve to finance our trading operations, furnish guarantees on draft transactions, purchase and sell foreign exchange and perform other banking functions.

The good harvest steadily becoming more fully assured for the Soviet Union this year greatly strengthens our trading position in France, inasmuch as France will doubtless be a buyer of our grain, as was the case in the Soviet Union's first grain exporting campaign. France especially es-

teems our wheat, which is recognized as first-class, particularly in southern France.

It may even be surmised that the supporters of the doctrine cited above, namely "No commercial and economic relations before the settlement of fundamental questions," will not remain faithful to their position when ships loaded with Soviet wheat begin to arrive one after the other in Marseilles and other French ports.

New Soviet Envoy to Austria

During the latter part of June the Presidium of the Central Executive Committee of the Soviet Union decided to release Mr. A. A. Joffe from his post as Soviet Envoy to Austria and to name Mr. Yan Antonovich Berzin in his stead.

Mass Fabrication of Anti-Soviet Documents

Early in June the "Berliner Tageblatt" published interesting disclosures concerning the character and activities of Druzhelovsky, who forged documents of the Communist International on a large scale.

After the World War Druzhelovsky worked under the orders of the head of the Polish political espionage forces and he later busied himself with the mass fabrication of anti-Soviet documents in Berlin, all of which did not prevent him last year from making a simultaneous offer to the Soviet Embassy in Berlin for the acquisition of secret German documents through him. The Soviet Embassy apprised the German police of this proposition, as a result of which Druzhelovsky was arrested, but he was subsequently released. Notwithstanding this, soon afterwards he proffered his services to the Soviet Embassy once more.

The "Berliner Tageblatt" emphasizes the fact that Druzhelovsky recorded in his notebook with the utmost exactness the names of his clients, the sums received from them, and so forth. According to Druzhelovsky's admission Poland ordered from him the documents which were to serve as evidence of a Communist criminal attempt in connection with the railroad disaster that recently occurred in the Danzig Corridor. Druzhelovsky especially distinguished himself by forging documents to demonstrate that the explosion in the Sofia Cathedral was perpetrated under the instructions of the People's Commissariat for Foreign Affairs. Druzhelovsky's latest "achievement" was the fabrication of secret instructions from Moscow to the American Communists. He offered these "instructions" to the American Embassy in Berlin for \$150, but just at that time he was arrested. Druzhelovsky was in close touch with the White emigres, particularly with Gumansky and Botkin.

Cultural Life in the Soviet Union

The Scientific Technical Department

THE Revolution confronted the Soviet industries with the tremendous tasks of reconstructing and reorganizing the old forms of production, and of creating new forms. This could be accomplished only upon the broad basis of scientific and technical researches. This great role was carried out by the Scientific-Technical Department of the Supreme Council of National Economy (S.T.D.), organized on Lenin's initiative in 1918.

Under the most difficult conditions of war and blockade there were created a number of scientific-technical institutes, laboratories and experimental stations, in which tremendous problems were solved, experiments of stupendous magnitude and ingenuity carried out, and results attained which in many respects proved far ahead of Western science.

The activities of the Soviet scientific and technical establishments is nearly always carried on with a view to practical application in industry. The Scientific Technical Department, headed by an Advisory Board, comprises several institutes and laboratories, everyone of which caters to two, three or more branches of industry. Furthermore, in the S. T. D. there exist several Scientific-Technical Councils which cater to definite branches of industry, co-ordinating their scientific-technical problems and tasks.

At many of the scientific-technical institutes experimental production has been organized, in order to test the expediency of the methods of production used in the various factories.

The S.T.D. also carries on a large publishing business, takes care of the organization of new inventions, of the formation of new economic organizations, and so on.

Nearly all of the scientific-technical institutes have been founded by the S.T.D. Under its instructions a number of prominent scientists and scientific institutions are engaged on problems of tremendous importance to the nation's economic life.

Below are some of these activities:

X-ray analysis of materials, and the study of the causes of the failure of materials (academician Joffe); experiments with fixed nitrogen (Prof. Moser); investigation of the influence of the type of agricultural implements and tilling machines on the harvest (Prof. Sladkov); application of the principle of flameless combustion in melting ovens and boiler-furnaces (Prof. Ushkov); investigation of the methods of obtaining aluminum from the Tikhvin bauxites (Prof. Kurdumov); investigation of the Zhuravlinsky ores (Prof. Grigorovitch); the method of obtaining metallurgical aluminum (Prof. Pazukhin); extraction of gold from the arsenopyrites of the gold-fields of Kotchkar and Tcheliabinsk with the si-

multaneous production of arsenical compounds (Prof. Bratske); investigation of Russian mica and so on.

Among the special achievements should be mentioned the compilation of a chart showing the density of the population in the various districts of U. S. S. R. which is of tremendous help in the planning of economic enterprises, and also of charts of available building materials. Particular attention was devoted by the Department to the question of putting into practice the most important inventions and improved methods.

The following is a brief summary of the work done in the institutes and laboratories of the Scientific-Technical Department:

1. The Institute of Pure Chemical Reagents has laid down the foundation for the manufacture of reagents in Russia.

2. The Scientific Chemo-Pharmaceutical Institute has established the production of many preparations which for the most part used to be imported from abroad.

3. The Russian Institute of Applied Chemistry has successfully elaborated many new products in its experimental plant; red phosphorus, yellow phosphorus, mineral dyes, etc. A good deal of work was done by the Institute in the domain of military chemistry.

4. The Karpov Chemical Institute has carried out 14 scientific analytical investigations that are of tremendous practical importance. Among the individual achievements of the Institute should be mentioned the production of a highly sensitive electrical paper for the automatic registry of changes in the distance between rails, the purification of contaminated chloroform, the preparation of the chemicals for embalming Lenin's body, and a number of other important accomplishments.

5. The Institute of Applied Mineralogy and Petrography, in connection with the mining and metallurgical laboratory and the laboratory for testing materials, is engaged in researches on aluminum, asbestos, graphite and quartz.

6. The State Experimental Silicate Institute is studying the properties of Russian clays and their suitability for manufacturing purposes. The Institute has discovered a new anhydrous gypsum cement which in many respects excels Portland cement. The Institute has also carried out many laboratory tests on orders from various industrial enterprises.

7. The Scientific Fertilizer Institute is working on the production and application of mineral fertilizers. The Institute has worked out a method of using Russian phosphorites with good fertilizing results. A number of superphosphate factories has been established under the guidance of the Institute.

8. The Central Aerohydrodynamic Institute is the center of scientific investigation in the sphere of aviation and hydro-aviation. The Institute has designed and constructed several aeroplanes and parts. The Institute has organized its own experimental manufacture of aeroplane propellers and discovered a method of producing duralumin.

9. The Scientific Automotive Institute is studying problems connected with the construction of tractors, automobiles and aeroplane motors.

10. The State Experimental Electrotechnical Institute is working in all branches of electrotechnics, working out all the electrical problems raised by industry and by the plans for the electrification of the Republic. A series of highly important tests was carried out by the Institute on orders from interested industrial enterprises. The Institute was organized on Lenin's initiative.

11. The Leningrad Experimental Electrotechnical Laboratory is working on problems of telephonic communication.

The industrial revival is bringing up new problems, which are referred to the respective scientific institutions.

The scientific-technical establishments of the S. T. D. furnish the U. S. S. R. with a powerful apparatus for scientific and technical research which already has shown its value in practice.

Motion Pictures in the Soviet Union

Of late the Soviet Union's motion picture industry shows a trend toward films dealing with the productive phases of the country's life.

At the present time pictures on the following industrial subjects are being made: "The work of the Universal Store," "When Steel Revives," "The New Village," "The Struggle for Water," "The Murmansk Region," "Archangel and its Timber Resources," etc.

Attention should also be called to the tendency of motion picture work toward themes connected with rural life. A special commission has been appointed by the State Cinema Bureau ("Goskino") to collect and utilize materials for rural scenarios. The following peasant pictures are being elaborated: "The New Land," "Rural Hustlers," "The Mountain Pass," "The Spider and the Fly," and others.

The cultural and educational side of "Goskino's" activity is represented by the production of the following films: "The Cooperator," a picture of cooperative life; "Life's Truth," a scientific picture dealing with syphilis; "Pelf and Gain" and "Chemical Warfare," a scientific didactic picture describing modern chemical warfare—poison gases and the means of protection against them. In addition to this, the production of films concerning tuberculosis has been started.

The artistic division of the Soviet motion picture industry has been very active. Of the latest

films staged the following merit mention: "The Captain's Daughter" (based on Pushkin's story); "The Masquerade" (based on Lermontov's work); "Scum," "Three Women," "The Ninth Wave," "The Plot of an Empress" and many others.

With reference to moving picture productions concerned with the life of the non-Russian nationalities in the Soviet Union, attention must be directed to the scenarios entitled "The Pearl of Turkestan" and "Molla-Nassir-Edin."

Jubilee Edition of Tolstoy's Complete Works

The State Publishing House is preparing a plan for a Jubilee Edition of Leo Tolstoy's works, including absolutely all his writings, together with variant passages and parts formerly censored, all his correspondence, diaries, and writings on religious subjects.

The entire edition will comprise 91 volumes. It will be illustrated with autographs and photographs.

A special commission, under the chairmanship of Lunacharsky, People's Commissar for Education, will be formed to edit the work. The immediate editing of the volumes will be in the hands of the Tolstoy Museum, represented by Alexey Tolstoy and Chertkov. It is expected that the edition will be commenced this autumn and finished during the first half of 1927. The cost of the edition is calculated at 1,000,000 gold rubles.

PAMPHLETS

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The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

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Miscellaneous News

Radio in the Soviet Union

Radio is completely changing the cultural aspects of life in backward Russian villages. Millions of peasants whose world was formerly bounded by the happenings within a few square miles, now throng to the village reading rooms several times a week to listen to the news of the world over the loud speaker. The radio also gives them the speeches at important public meetings at Moscow or Leningrad, opera from the Grand Theatre in Moscow and also important concerts and plays, as well as agricultural advice. Every afternoon and evening the powerful Sokolniki Station, near Moscow, reaches a host of listeners within a radius of 1,800 miles. A special concert studio in Trade Union Hall, in the heart of Moscow is linked up with the station, and is equipped with microphones and other apparatus from the Western Electric Company of the United States.

"The revolution woke the Russian village from its primeval slumber," says A. B. Vinogradov, chief of the Radio Bureau of the Moscow Provincial Council of Trade Unions, "and the radio is giving it a rapid cultural development."

In Moscow province alone 200 additional village reading rooms were being equipped with receiving sets and loud speakers this spring. In the city of Moscow there are 350 radio clubs with 15,000 members.

The use of private receiving sets was not authorized by the Government until last fall. Two months after the new radio law became effective, 50,000 private sets were in use in Moscow alone. Persons using them are required to pay a small annual license fee. Aside from this there are no restrictions. Before the Government legalized private receivers it is estimated that 20,000 persons in Moscow had acquired "bootleg" sets and were listening in on whatever they could get out of the air.

The Moscow Provincial Council of Trade Unions recently began to issue a fortnightly magazine, "The Radio Amateur," which reached a circulation of 50,000 in the first few issues.

All-Russian Radio Exposition

On June 6 the First All-Russian Radio Exposition, including a foreign section, was opened in the building of the Polytechnical Museum in Moscow.

The exposition has been organized by the Russian State Polytechnical Museum in collaboration with interested People's Commissariats, trusts and public organizations to provide a broad acquaintance with all phases of radio and to popularize the achievements of the radio industry.

Perhaps the most interesting exhibit is the laboratory of the Nizhni-Novgorod Radio Experimental Station for short wave-length broadcasting.

It is planned to organize a series of lectures and reports on various questions of radio technique and industry during the course of the exposition.

At the request of participating foreign firms the section for foreign exhibits was not to be opened until July 1.

Provision for Homeless Children

During the month of May twenty-four communes for 1,520 children, two homes for 685 children, and special homes for 300 girls and 500 children suffering from skin diseases were established for homeless children in Moscow City and Province. Recent investigations showed that the number of homeless children on the streets, in the railway stations and other public places was 30 per cent less than two months before. Trade shops have been organized for 700 homeless children, eleven clubs have been opened, and playgrounds will be established during the summer with funds contributed by the children's institutions and other organizations. The work among the homeless children is being carried on by thousands of students and by special organizations with the collaboration of women's sections under the guidance of instructors in social work. The work among delinquent children is especially difficult.

Increased Output of Baku Oil Wells

During the first half (October 1, 1924 to April 1, 1925) of the current fiscal year the Baku oilwells continued to increase their output over the totals for the corresponding period of previous fiscal years, as shown by the following table:

Semi-Annual Period	Production In Poods	Percentage of Total for first Half of 1920-21
First Half of 1920-21.....	73,928,000	100
First Half of 1921-22.....	86,916,000	117.6
First Half of 1922-23.....	102,073,000	138.1
First Half of 1923-24.....	123,713,000	167.3
First Half of 1924-25.....	131,137,000	177.4

Record Production in May for Baku Oil Fields

The operations of the Azerbaijan Oil Trust attained record proportions during the month of May. The output of oil for this month totaled 25,554,000 poods, and 5,501 sazhens of new drilling was performed, the latter figure surpassing the pre-war standard.

Rehabilitation of the Merchant Marine

The People's Commissariat for Transports has submitted to the State Planning Commission for examination a projected five-year program of merchant ship construction.

The program entails the construction of 228 vessels of various types with a combined dead weight tonnage of 819,240 tons. In addition to this it is proposed to build a floating dock of 6,500 tons capacity at the port of Leningrad, to be completed by 1928. It is planned to equip a majority of the ships with internal combustion engines with an extensive application of electricity for auxiliary apparatus as the most economical for vessel operation.

The cost of building all these vessels, apart from those for service in the Caspian Sea, is calculated at a total of 114,000,000 gold rubles. The cost of constructing the ships for the Caspian service is placed at 18,060,000 gold rubles. Thus, the aggregate cost of building all of the 229 ships proposed in the program is reckoned at 132,000,000 gold rubles in round figures.

Large Grain Elevator to be Built at Nikolayev

Building operations have been begun for a large grain elevator at the port of Nikolayev. The new elevator will have a capacity of 41,700 tons of grain. Its construction will cost 4,500,000 gold rubles and will be completed within two years. The structure is being built of concrete reenforced with steel and will have the most up-to-date equipment. Work on the construction of a large electric power station is proceeding simultaneously with the building of the elevator.

Crop Reports

During the first ten days of June temperature was below normal with a large amount of precipitation in the western half of the Blacksoil region, the lower Don region, and the southern part of Northern Caucasus.

Other districts and regions in the central and northern zones also got a considerable amount of rain. The precipitation was slight only in the lower Volga region and in the eastern part of the Blacksoil region, but toward the end of May good rains fell in these sections, so that no shortage of moisture has been felt.

The condition of the crops in the various regions was estimated as follows on June 10:

Northern Region.—Winter crops average, spring crops also average, with condition below average in some localities.

Northeastern Region and Ural Region.—Winter crops average except in the northern part, where their condition has declined. Spring crops average in general, but below average in spots.

Northwestern Region.—Winter rye and wheat in average condition and above average in places. Spring crops average.

Western Region.—Winter crops average. Oats average.

Central Region.—Winter rye average and above average in spots, except for part of Ryazan Province and individual districts of Vladimir, Ivanovo-Voznessensk, Tula and other Provinces, where the outlook for the rye crop is below average.

After the past rains the condition of the crops improved somewhat. The spring crops are nearly average.

Blacksoil Region.—In the western half of this region the winter crop condition is average, but in the eastern half it is below average. The spring crop outlook is average. The rains that fell have improved the condition of the crops.

Upper Volga Region.—Winter crops average. Spring crops average.

Middle Volga Region.—Winter crops average and above average in places, but a turn for the worse is observed in the northwestern part of Ulianovsk (formerly Simbirsk) Province and in the eastern part of Samara Province.

Lower Volga Region.—Winter rye is average except in Penza Province and parts of Saratov and Stalingrad (formerly Tsaritzyn) Provinces. The condition of the spring crops is satisfactory.

Northern Caucasus.—Winter crops average. In some localities the condition is above average, and in individual districts a turn for the worse is recorded. Spring crops are average.

According to the latest information the general situation of the crops is above average.

FINANCIAL STATEMENT of the Issue Department of the SOVIET STATE BANK on June 16, 1925

Assets	Chervontzy
Gold (coin and bullion).....	16,908,888
Platinum (bullion)	2,369,779
Foreign Bank Notes (at rate of £=9 rubles and \$1=1.94 rubles).....	5,100,337
Drafts in Foreign Currency for the total amount of 260,296.5 cherv., less regular discount.....	234,267
Discounted bills in chervontzy 43,985,- 051.5 less regular discount.	39,587,446
Securities covering advances on goods 1,999,203.7 less regular discount...	1,799,283
Total	66,000,000
Liabilities	Chervontzy
Notes transferred to State Bank.....	65,377,172
Balance to which notes may still be is- sued	622,828
Total	66,000,000
66,000,000 chervontzy equal 660,000,000 gold rubles.	

RUSSIAN REVIEW

Fifteen Cents

August 1, 1925

Vol. III No. 15

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Sanitary Situation of Soviet Russia

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RUSSIAN REVIEW

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Sanitary Situation of Soviet Russia

(The following information is taken from a report presented to the Twelfth All-Russian Congress of Soviets—i. e. the Soviet Congress of Soviet Russia proper—during the early part of May by Mr. N. A. Semashko, People's Commissar for Health of the Russian Socialist Federated Soviet Republic.)

THE main task which the People's Commissariat for Health of the R. S. F. S. R. (Soviet Russia proper) set for itself during the past year of its activity, was, not only the cure of those already ill, not only the adoption of measures for the improvement of medical assistance, but also a simultaneous endeavor to reduce the very possibility of the spread of diseases and to prevent their dissemination. Such was the fundamental feature of the policy adopted by the People's Commissariat for Health of the R. S. F. S. R.

Inheritance of the Past

In Soviet Russia there is an extremely wide prevalence of the so-called endemic (extra-genital) syphilis, which is due to insufficient acquaintance with the measures that must be taken to protect oneself against infection. This means that endemic syphilis depends upon backward and sometimes wholly uncivilized living conditions, especially in the villages, and upon ignorance of the simplest and most elementary rules of hygiene.

Endemic (extra-genital) syphilis is still very widespread in many towns and villages. There are villages where this form of syphilis has impressed its stamp upon the external appearance of the whole population.

This sort of mass prevalence of endemic diseases and the deaths occasioned by them also applies to such affections as eye diseases. In Soviet Russia trachoma afflicts hundreds of thousands with blindness.

In view of all these facts, how could the People's Commissariat for Health possibly limit itself to the treatment of the ill and to a struggle against these dreadfully prevalent diseases merely by means of powders and drops? Of course it could not. At the same time that it healed the sick it had to think of how to prevent the mass spread of diseases.

It is now possible to draw some conclusions as to whether or not the task of the Commissariat for Health was correctly interpreted and its policy accurately formulated. At the present time the initial results are at hand and, though extremely modest, they do, nevertheless, supply an answer to the question just propounded.

The utmost reduction of the death rate is the main purpose of the health service. The statisti-

cal records already reveal altogether settled data which render it possible to decide whether any results at all have been attained.

Mortality Statistics—Faster Population Growth

Here are some figures on the present death rate as compared with pre-war times. Before the war, in the years 1911 to 1913 the death rate was 27.3 per 1,000 of population. By 1923 this rate had dropped to 22.7. The country's birth rate was 43.8 per 1,000 before the war, and in 1923 it was 42.5. Therefore, as is apparent, the birth rate remains at about the same level. The natural growth of population, that is the excess of births over deaths, was equal to 16.5 per 1,000 of population before the war, whereas in 1923 it was 19.8, showing a considerable advance in the rate of natural population increase.

Such are the figures referring to the Russian Socialist Federated Soviet Republic (Soviet Russia proper). Of course, for individual localities the data vary. In the case of Moscow they are particularly striking. The natural growth of population in Moscow was 5.8 per 1,000 before the war, while it was 15.9 in 1923, an almost threefold increase. In 1924 the rate of increase for Moscow was over 17 per 1,000.

Consequently, the country's general situation with respect to vital statistics is characterized by a considerable diminution of the death rate and a substantial advance in the rate of population increase. Of course, this result was based upon the general improvement in the population's situation which we observe at present, upon the industrial progress now obtaining, upon a certain betterment in agriculture, and upon an advance in the cultural conditions of life. All these factors had their influence upon the results pointed out above, but the improvement of sanitary conditions also played its part along with these general fundamental causes.

Elimination of Epidemics

At the present time there is a sharp decrease, in most cases a total elimination, of those epidemics which exacted such a heavy toll from the population during the World and Civil Wars. Cholera and some other serious infectious diseases have been entirely stamped out. Spotted and remittent typhus have also been eliminated in

some localities and have been greatly reduced throughout the country as a whole.

Health of the Red Army

The sanitary condition of the Red Army is now very favorable and in many respects is superior to that of the Tsarist army before the war.

Before the war, in 1913, there were 4.9 cases of typhoid per 1,000 men in the Tsarist army. Now, in 1924, there are only 0.28 per 1,000.

This improvement is due to the fact that special attention is now devoted to the health of the Red Army and particularly to the fact that preventive measures are being employed.

Many of the most competent foreign observers visiting Soviet Russia have commented upon this progress. Such, for example, was the case with the German expert Rösle, one of the best judges of the practice of health administration in Europe, who recently journeyed to Soviet Russia and wrote in his impressions that those who desire to learn how health work should be organized in a centralized, systematic manner should visit the Soviet Union.

Care of Children

Mr. Semashko cited statistics on infant mortality demonstrating that the rate is on the decline, the decrease applying not only to the urban districts, but also, what is especially important in Soviet Russia, to the rural regions.

It has been possible to attain such results only in proportion to the extent to which it has been feasible to instruct the mothers, above all the peasant mothers, in the correct methods of caring for nursing infants, of feeding them and bringing them up.

The statistician Mikhailovsky writes that the "principal cause of the marvelous saving of children's lives consists in the tremendous difference between the situation of children under the Tsarist order and their present situation, when the Soviet authorities strive to guard the interests of mothers and children by the distribution of milk and the propaganda for the correct care of children. Before the Revolution all this was existent only in theory, but now it has begun to bear its first fruits."

Dispensary Work

One of the first thoughts of the Commissariat for Health was the creation of dispensaries, institutions which had been lacking in Tsarist Russia, and which are now frankly recognized as the mainstays of the struggle for sanitation. The Commissariat set up the dispensaries whose task it was not only to heal, but also to prevent, to educate and to form connections with the workers' organizations. From the inception of their work these institutions developed quite an extensive sphere of activities. They extended their operations not only to the provincial centers, not only to the capital cities, but also to the most remote provinces,

right out to Irkutsk, to the Buryat-Mongolian Republic, and to Vladivostok. Thus, for instance, the dispensary in Irkutsk treated 3,800 patients during the first quarter of last year and 14,390 during the following three months. This shows how they are beginning to expand their work and gain the confidence of the population. Annually, even in the most outlying cities, from 300 to 400 lectures are given in the dispensaries and in the factories and mills. Tens of thousands of patients visit these dispensaries, and thousands of investigations are carried on on the spot, in the various enterprises, institutions, etc. And this preventive work has succeeded in producing some extremely interesting results.

In the first place, it may be observed that the most accurate Moscow statistics show the beginning of a decline in so-called endemic, i. e. extragenital, syphilis, which is bound up with the population's ignorance of sanitation.

In 1917 of the patients stricken with serious communicable diseases 55 per cent did not apply to the hospitals until they had reached the most infectious period of their illness, that is, until they had transmitted the disease to those around them and when it was already extremely difficult to cure them. Now the number of patients coming to the medical institutions in the most intensively infective stage of communicable diseases has fallen to 13 per cent.

It is highly interesting to note that some of the persons coming to the medical institutions prove to be quite well. This means that individuals in doubt or apprehension concerning their health go to the hospitals to ascertain whether or not they are really ill and to take the necessary curative measures as fast as possible. The percentage of such cautious applicants is already quite large. In Moscow one fifth of those who come to the medical institutions are found to be quite well. This proves that the population is becoming conscious of the fact that the sooner you treat a disease, the easier it is to get well and the less the danger of infecting the persons about you.

Malaria

The preventive measures being adopted by the Commissariat for Health are yielding their initial results with respect to still another of the communicable diseases now raging—malaria. If an attempt were made to stamp out malaria solely by means of quinine, it would turn out impracticable, first, because quinine is too expensive and, second, because malaria is so widespread and the cases so numerous that it would be impossible to cope with the situation by this means. On the contrary, by adopting measures against the spread of this fearful disease, now threatening to paralyze the country's economic reconstruction work, by taking steps against the propagation of the malaria-bearing mosquito, by taking steps to drain

the swamps, a general work of sanitation and a saving of expenditures are simultaneously accomplished.

Health Education Indispensable

Away back in 1918, when the cholera epidemic broke out in Petrograd, the observing correspondent of the London "Daily News" wrote to his paper: "The Bolsheviks are conducting the struggle against the epidemic in a new way—they are drawing the population itself into the struggle."

Now, too, the Commissariat for Health is endeavoring to organize all its work along this line. It endeavors to solve the problem of creating sanitary living conditions for the people not only through the activities of its own department, not only through its official forces in the field, but also by attracting the population into the work and by giving, not verbal, but concrete effect to the slogan: "The protection of the workers' health is the business of the workers themselves."

Medical Attendance in the Cities and Villages

The Commissar's report then takes up the work of medical attendance at the present time. He points out that successes of considerable magnitude have been achieved in the cities. The urban population of Soviet Russia now has at its disposal forms of medical assistance which it did not have and did not even dream of having in Tsarist times. Under the Tsarist regime there were altogether only two or three cities in the whole Empire, such as St. Petersburg, for example, where medical aid was supplied to the poor at home without charge or at reduced rates. At the present time free medical treatment is supplied to the poor at home on a larger or smaller scale in all the provincial capitals and in a considerable majority of the county seats.

Free medical attendance at home, which is so important to the poor person incapable of calling a paid physician or of sending the patient to the hospital for one reason or another; free home treatment, which was formerly available only in a few cities, and which did not exist even in Moscow, where the Liberal municipal councils deliberated for decades the question of how to introduce free medical service for the poor—this free home treatment is now practised in the cities throughout the length and breadth of the Soviet Union.

In times past the working-man did not dream of such forms of aid as dispensary and sanatorium service, and the working-woman did not dream of the protection of motherhood and childhood, etc., etc. In a word, the city population during the years of revolution and during the years of the existence of the Soviet regime has received forms of assistance which it not only did not have, but which it did not even dream of, before the Revolution.

The country districts present a much more grievous picture than the cities. The situation with respect to health protection for the rural population is still extremely distressing, and the most vigorous and immediate measures are required for its improvement. In the country districts, too, of course, some achievements may be observed.

Thus, for example, in the village institutions of eleven Central Russian provinces there were 5,592 hospital beds before the war, whereas now there are 6,217. In the county institutions there were 6,433 beds before the war, while there are 8,122 at present.

Protection of Mothers and Infants

At present in connection with the increased attention devoted to the rural sections, the Commissariat for Health is setting up as its key aim the creation of the simplest and most elementary institutions for the protection of motherhood and childhood—the establishment of creches during the summer working season.

The campaign which is being conducted toward this end has already opened up some favorable prospects and hopes. The rural creches will bring about a further reduction in the infantile death rate, which is particularly high in the country areas, and will lead to a further improvement in the health of the peasant women, which has until now remained in an extremely distressing condition.

In guarding the health of children in the later stages of youth special attention is being devoted to the apprentices in the factories and mills. A survey of youth's health is made each year and measures for guarding the health of the country's youth are planned in cooperation with Young People's organizations. Work of this kind is to be conducted during the current summer and the Commissariat for Health appealed to all rural leaders to assist in this undertaking. In recent years physical culture has assumed particularly great importance, especially among the youth. Lately physical culture has also begun to interest the trade unions.

The Country's Physical Muscular Resources

In conclusion Mr. Semashko said he desired to draw attention to the special importance now acquired by the problem of protecting the public health in the Soviet Union. Since the country still finds itself in a low stage of technological development, the muscular strength, in other words, the health of the workers and peasants, plays a large part in the advancement of the Soviet Union's economic life. He therefore appealed to the All-Russian Congress of Soviets to impart a mighty impetus to the future expansion of the Health Commissariat's work, so that the Soviet system might rest upon the sturdy, unshakable granite foundation of a healthy population.

Economic Reconstruction Loan

IN AN INTERVIEW with a correspondent of "Economic Life" on June 19, Mr. G. Y. Sokolnikov, People's Commissar for Finances of the Soviet Union, furnished the following details of the projected flotation of a 300,000,000 gold ruble "Economic Reconstruction Loan":

The principal object of the loan, said Mr. Sokolnikov, is the organization of long-term credits for a number of the country's economic branches. We are now face to face with the problem of long-term credits, inasmuch as short-term credit facilities have already been consolidated on the whole and have undergone extensive development. True, certain special forms of long-term credits have also begun to develop through the Agricultural Bank and the Municipal Bank. Nevertheless, at this moment we are confronted with the task of considerably enlarging the resources of the State enterprises and in part of the cooperative undertakings.

In conjunction with the favorable prospects for a good harvest it is particularly necessary to get ready to take a big forward stride in economic reconstruction during the fiscal year 1925-26. We must aim at such an increase in the speed of the country's general economic progress as will leave the preceding year's rate of advance far behind.

The work of economic development would be considerably lightened if the Soviet Union had an opportunity of attracting foreign credits in more or less substantial volume. However, the establishment of credit relations with foreign countries has proceeded very slowly up to the present. This has undoubtedly resulted in aggravating the economic situation in those nations for which the development of relations with the Soviet Union may signify an improvement of their domestic economy.

The clearest illustration of this is the prolonged industrial crisis and widespread unemployment in England, both directly due to the present policy of English governing circles. The obstacles interposed to the extension of foreign credits to the Soviet Union constrains us to take up with the utmost energy the work of organizing internal credits, in order to counteract the schemes for obstructing the economic development of the Soviet Union.

It is planned to inaugurate the flotation of the 300,000,000 gold ruble "Economic Reconstruction Loan" in August. The bonds will bear interest at 10 per cent per annum. It is proposed to begin the redemption of the loan in August of 1926 and to repay the entire amount by August of 1930. The sale of the bonds will be effected exclusively on a voluntary basis. The bonds will be introduced on the stock exchanges only gradually in order to avoid a decline in quotation rates.

The original holders of the bonds will be chiefly the banks, as is usually the case with large credit operations.

It must be remarked that this entire operation can be carried out without supplementary bank-note issues, since recent months have shown a marked acceleration in the growth of bank deposits and current accounts. This circumstance indicates the commencement of a new and important chapter in the development of the Soviet Union's credit system. The augmentation of bank deposits and current accounts now ranks with the strictly sound issue of bank-notes as a means of supplying credits for the entire economic life of the Soviet Union, and in the future it will doubtless become the more important credit source of the two. This consolidation of the banking system, due to enlarged deposits through the return of extensive funds from circulation is a reflection of the general process of economic recuperation and growth and forms the foundation for the enterprise of floating a large loan for the purpose of economic reconstruction.

On the other hand, the loan finds added support in the improvement and development attained by the State budget. It may be stated with confidence that the State budget will be fully equal to the task of paying the interest on the bonds and of redeeming the entire loan in the course of four years.

The funds to be rendered available for industry, agriculture and other branches of national economy by means of the loan, will be utilized to the best advantage only if they are devoted to a general increase of commodity production within the shortest possible period and with the utmost cooperation between the various branches. Subsequently the stimulation of trade and the further reenforcement of the money credit system resulting therefrom will permit the taking of additional steps toward the organization of long-term credits.

Aside from the establishment of long-term credits in the shape of an "Economic Reconstruction Loan," industry, agriculture and the cooperative enterprises will receive financial support during the fiscal year 1925-26 from State budget resources (in the form of allotments to their capital stock under the category of long-term loans).

The total volume of these allotments in the draft of the State budget for the fiscal year 1925-26 is provisionally fixed at about 325,000,000 gold rubles. In addition to this, the accumulating depreciation reserves in the industries themselves will also serve as a basis for long-term credits. Thus, even in the absence of foreign credits, during the forthcoming year the Soviet Union will be able to devote very considerable resources, approximately between 700,000,000 and 750,000,000 gold rubles, to increase the capital funds employed in the different branches of na-

tional economy, thereby assuring an accelerated rate of development for the entire economic life of the country.

In conclusion it may be observed that the funds raised by the loan will be most advantageously utilized if they are devoted, first, to those economic branches which are directly connected with agricultural raw materials, particularly along the line of industrial crops, timber, live-stock raising, etc., second, to those branches which act as transmission and transfer links in the economic mechanism, such as the construction of railroads and accessory establishments (the completion of railroads, refrigerating plants, warehouses, etc., already begun), and, third, to the processing and extractive industries.

Of course—said Mr. Sokolnikov in closing—the realization of the loan will still leave us far from the full accomplishment of the tasks confronting the Soviet Union. In the future the process of economic development will bring up new and important needs, but the "Economic Reconstruction Loan" is the first step toward the organization of the long-term credits which are indispensable for the attainment of these aims.

Revenue from State Industry and Trade

IN THE BUDGET for the fiscal year 1924-25 the revenues from State industry, trade, banks, and also from the repayment of Treasury loans were reckoned at a grand total of 129,579,000 gold rubles, to be derived as follows: from industry—59,404,000 gold rubles (46,240,000 gold rubles from Federal industries and 13,164,000 gold rubles from the industries of the individual Constituent Republics); from trade—26,790,000 gold rubles (14,249,000 gold rubles from Federal trade and 12,541,000 gold rubles from the trade of the Constituent Republics); from banks—20,050,000 gold rubles for the entire Soviet Union; from repayment of Treasury loans—23,335,000 gold rubles (21,325,000 gold rubles from reimbursement of loans advanced to various organizations of national scope and 2,010,000 gold rubles from reimbursement of loans to organizations of the individual Constituent Republics).

The total estimated revenues from Federal sources amounted to 101,864,000 gold rubles, while those to be derived from the Constituent Republics were placed at 27,715,000 gold rubles, making up the combined aggregate of 129,579,000 gold rubles mentioned above.

The following figures show the actual income from the revenue sources in question for the first seven months (October 1, 1924, to April 30, 1925) of the current fiscal year.

According to the data of the Department of State Revenues in the People's Commissariat for Finances of the Soviet Union, up to May 1 of the

present fiscal year the revenues from industry amounted to 28,036,000 gold rubles for Federal industries and 4,936,000 gold rubles for industries in the Constituent Republics, constituting 60.4 per cent and 37.5 per cent respectively of the corresponding budget estimates referring to these two divisions of industrial income for the fiscal year.

The separate branches of Federal industry contributed as follows to the total Federal receipts of 28,036,000 gold rubles up to May 1: cotton industry—15,069,000 gold rubles, or 53.8 per cent of the total; woolen industry—4,874,000 gold rubles, or 17.4 per cent; chemical industry—2,037,000 gold rubles, or 7.3 per cent; food industry—1,688,000 gold rubles, or 6.1 per cent; paper industry—1,155,000 gold rubles, or 4.2 per cent; other branches—3,219,000 gold rubles, or 11.2 per cent of the total.

The figures cited demonstrate that, as was also the case last year, the cotton industry holds first place and contributes over half of the aggregate revenues, while the textile industry as a whole accounts for 71.2 per cent of the total amount.

For the same seven-month period Federal trade brought 6,930,000 gold rubles into the Treasury, while the trade of the Constituent Republics yielded an income of 2,884,000 gold rubles, or 48.7 per cent and 23 per cent respectively of the corresponding budget estimates for the entire fiscal year.

The banks yielded 13,017,000 gold rubles in revenue for the first seven months of the current fiscal year, equivalent to 64.9 per cent of the annual budget forecast, while income from State Insurance amounted to 1,800,000 gold rubles.

The income from repayment of Treasury loans reached a total of 16,732,000 gold rubles for the period in question, constituting 71.3 per cent of the budget estimate for the whole year.

The statistics already quoted and the engagements held by the Department of State Revenues for the second half of 1924-25 justify the belief that the fulfillment of the revenue quotas for Federal industry and trade in the current budget year is assured.

The situation with respect to the accomplishment of the forecasts for revenues from the individual Constituent Republics is somewhat doubtful, as the income thus far realized under this head has been derived solely from the Russian Socialist Federated Soviet Republic (Soviet Russia proper) and the Ukrainian Socialist Soviet Republic, while from the remaining Republics there were no returns up to May 1.

Concerning the repayment of Treasury Loans, it may confidently be stated that the quota of income from this source will be fulfilled 100 per cent, and under especially favorable conditions the forecast may even be surpassed.

Resources, Capital and Deposits of Soviet Banks

A CONSOLIDATED balance sheet of all the banking and credit institutions operating on the territory of the Soviet Union, as of March 1, 1925, was published recently by the People's Commissariat for Finances. Prevented by lack of space from reprinting the whole table the

"Russian Review" presents herewith the figures referring to the total resources, the capital stock and the deposits and current accounts of the various banks and groups of credit institutions classified according to their national, regional or local importance (in gold rubles):

Name of Bank	Total Resources	Capital Stock	Deposits and C't. Acc'ts.	Local Credit Institutions of Ukrainian Soviet Republic:			
State Bank.....	2,359,296,000 ¹	107,900,000	569,920,000 ²	Municipal Banks ³ ..	10,440,000	2,168,000	5,683,000
Other Banks of Federal Scope:				Agricultural Credit Associations ⁴	30,427,000	7,687,000	1,236,000
Industrial Bank.....	347,354,000	51,900,000	140,644,000	Mutual Credit Associations ⁵	2,198,000	445,000	569,000
All-Russian Cooperative Bank.....	110,577,000	14,490,000	81,794,000	Municipal Lombard Houses ⁶	298,000	201,000	—
Russian Commercial Bank (now Bank for Foreign Trade)	100,178,000	23,460,000	29,084,000	Total	43,863,000	10,501,000	7,488,000
Central Agricultural Bank	90,379,000	38,220,000	3,120,000	Local Credit Institutions of White-Russian Soviet Republic:			
Electro-Bank	15,121,000	6,360,000	4,552,000	Agricultural Credit Associations ⁷	746,000	263,000	1,000
Total	663,609,000	134,480,000	209,194,000	Mutual Credit Associations ⁸	80,000	17,000	12,000
Main Banks of Individual Republics and Regions:				Total for Credit Institutions of White Russian Soviet Republic.....	826,000	280,000	13,000
Moscow City Bank.	123,966,000	11,705,000	73,765,000	Local Credit Institutions of Transcaucasian Soviet Federation:			
Southeastern Bank	1,511,000	1,018,000	115,000	Municipal Banks ⁹ ...	9,559,000	2,037,000	3,408,000
Far-Eastern Bank..	30,698,000	2,440,000	4,572,000	Agricultural Credit Associations ¹⁰	9,403,000	2,784,000	1,144,000
Central - Asiatic Bank	23,346,000	7,296,000	5,822,000	Mutual Credit Associations ¹¹	211,000	27,000	17,000
Ukrainian Bank ¹² ...	24,961,000	3,326,000	10,481,000	Total for Credit Institutions of Transcaucasian Federation.....	19,173,000	4,848,000	4,569,000
Ukrainian Agricultural Bank ¹³	23,646,000	2,007,000	1,691,000	GRAND TOTAL for Banks and Credit Institutions of the Entire Soviet Union.....	3,512,738,000	327,263,000	919,094,000
Transcaucasian Agricultural Bank ¹⁴ ..	4,701,000	1,164,000	58,000	Mongolian Trade and Industrial Bank (in Chinese dollars).....	1,621,000	520,000	305,000
White-Russian Agricultural Bank ¹⁵ ...	2,668,000	370,000	100,000				
Total for Main Banks of Individual Republics and Regions...	235,497,000	29,326,000	96,604,000				
Local Credit Institutions of Soviet Russia proper (R.S.F.S.R.).....							
Municipal Banks ¹⁶ ...	40,718,000	8,213,000	18,805,000				
Agricultural Credit Associations ¹⁷	125,733,000	28,079,000	6,501,000				
Mutual Credit Associations ¹⁸	21,619,000	2,406,000	6,000,000				
Municipal Lombard Houses.....	2,904,000	1,280,000	—				
Total for Credit Institutions of R.S.F.S.R.	190,974,000	39,978,000	31,806,000				

¹In this amount are included 220,306,000 gold rubles advanced to the State Bank by the Treasury.

²Including 289,584,000 gold rubles deposited by the Treasury.

³Balance sheet of February 1.

⁴Preliminary data.

⁵Balance sheet of January 1.

Further Progress of Soviet Banks

Since the publication of the consolidated balance sheet of the Soviet banks presenting the figures for March, some of the most important banks have registered a considerable advance. This is shown by the following data:

On April 1, 1925 the total resources of the State Bank were 243,470,402 chervontsy, i. e., 2,434,704,020 gold rubles. The State Bank has connections in all parts of the world, the New York correspondents being the Guaranty Trust Company of New York, Equitable Trust Company of New York, Irving Bank-Columbia Trust Company, Public National Bank of New York, The State Bank, Bank of United States, and J. Henry Schröder Banking Corporation.

On June 1, 1925, the total resources of the Moscow City Bank amounted to 163,800,000 gold rubles.

A statement issued by the Central Agricultural Bank of the U. S. S. R. on April 1, 1925, showed that its total resources amounted to 100,027,900 gold rubles on that date.

The total resources of the All-Russian Cooperative Bank were 116,977,500 gold rubles on April 1 according to a statement of that date.

The turnover of the All-Russian Cooperative Bank on operations with its foreign correspondents amounted to about 17,000,000 gold rubles for the first half of the fiscal year 1924-25.

During the first half (October 1, 1924 to April 1, 1925) of the fiscal year 1924-25 the total resources of the Industrial Bank rose from 276,700,000 gold rubles up to 373,000,000 gold rubles, an increase of 35.2 per cent (the percentage of increase for the first six months of the previous fiscal year 1923-24 was 93.1).

On May 1, 1925 the total resources of the Moscow Narodny Bank, Limited, in London, had reached the total of £2,481,300 (approximately 23,000,000 gold rubles), which represents an increase of £90,000 (850,000 gold rubles) as compared with the figure for January 1 of the current year. The bank's business turnover for the first four months of the present calendar year aggregated £31,680,000 (about 300,000,000 rubles).

Soviet Bank for Foreign Trade

THE transformation of the former Russian Commercial Bank into the Bank for Foreign Trade of the Union of S. S. R. was begun in April of last year. It is now possible to sum up the results of the first year's operations and show what the bank contributed to that branch of national economic life for whose service it was especially created.

The following figures illustrate the growth of the bank's operations: The total resources increased fourfold during the year between April

1, 1924 and April 1, 1925—from 29,900,000 gold rubles to 108,400,000 gold rubles. Its capital stock rose from 10,000,000 gold rubles to 27,800,000 gold rubles. Deposits and current accounts show a sixfold increase for the same period—from 4,500,000 gold rubles to 28,400,000 gold rubles. At the same time there was only a very slight increase in the amount owing by the Bank for Foreign Trade to the State Bank—from 2,900,000 gold rubles to 3,800,000 gold rubles. The asset side of the balance sheet records an almost sixfold increase in the amount owing by clients under the head of loan and discount operations (including guarantees)—from 12,400,000 gold rubles to 71,900,000 gold rubles. The amount extended by the home office to organizations engaged in foreign trade rose from 1,900,000 to 44,200,000 gold rubles; and at the present time the sums advanced by the bank's branches on similar transactions aggregate about 10,500,000 gold rubles, whereas a year ago they were practically nil. Thus, by the end of the first year of its activities the Bank for Foreign Trade had about 55,000,000 gold rubles outstanding in the financing of foreign trade, as against 2,000,000 gold rubles a year previous. The aggregate amount extended for foreign trade purposes under the head of loan and discount operations during the course of the year totaled 150,000,000 gold rubles, of which 125,000,000 were given out through the home office and 25,000,000 through the branches. It is noteworthy that the total extended during the second half (October 1924-March 1925) of the year in question was more than twice as large as for the initial half.

Of course, it was not difficult for the bank to find a field for its activities during this particular period. The foreign trade turnover for the fiscal year 1923-24 had already doubled as compared with the preceding fiscal year. Despite the falling off of grain exports, the first half of the fiscal year 1924-25 brought a further expansion of the foreign trade turnover, and the balance of trade for the six months was practically even, notwithstanding the suspension of grain exports. In the face of such a rapid development of foreign trade it was not hard to find room for the activities of this special bank. And, indeed, the funds invested in the Soviet Union's foreign trade, both in the form of capital belonging to the foreign trade organizations acting on the foreign markets and in the shape of capital attracted by these organizations, increased by between 140,000,000 and 150,000,000 gold rubles according to available estimates. The coordinate enlargement of the appropriate banking apparatus was realized through the establishment of the Bank for Foreign Trade.

The misgivings expressed at the beginning of the bank's reorganization that it would not be in a position to accumulate resources for independent activity and would be merely a super-

fluous intermediary link, financing export trade by means of credits obtained from the State Bank, may now be definitely regarded as unfounded. The support afforded by the State Bank, especially during the second half of the annual period under review, was very slight, as may be seen from the following tabulation of the amounts owing to the State Bank by the Bank of Foreign Trade, in thousands of gold rubles:

	Apr. 1 1924	July 1 1924	Oct. 1 1924	Jan. 1 1925	Apr. 1 1925
Home Office..	2,783	6,061	5,602	5,000	3,471
Branches . . .	76	100	884	1,380	318
Total	2,859	6,161	6,486	6,380	3,789

In the closing months of the annual period in question credits were extended by foreign banks. The Bank for Foreign Trade is only beginning to utilize these foreign bank credits, and its indebtedness under this head constitutes but a little more than 1,500,000 gold rubles. However, it is of the utmost importance that a practical foundation has already been laid for attracting foreign funds through this bank to finance the Soviet foreign trade.

Soviet Banks in Central Asia and Manchuria

DURING the first sixteen months of its existence from June 19, 1923, to October 1, 1924, the total resources of the Far-Eastern Bank of Harbin grew to 4,283,700 gold rubles according to the statement of its Board of Directors.

On October 1, 1924 the bank was serving the following points in Manchuria and northern China through its branches: Harbin, Manchuria, Haylar, Peking, Tientsin, Kalgan, and Shanghai, with an agency at Kobe.

The deposits attracted by the bank up to October 1, 1924 totaled 1,656,500 gold rubles, of which 85.1 per cent were in the accounts of State institutions and enterprises, 1.2 per cent in those of cooperatives, 1.5 per cent in those of public organizations, and 12.2 per cent in those of private individuals and firms.

The fur exports from neighboring countries, as well as the exportation of grain, industrial crops, timber and fish from the Amur, Maritime and Kamchatka regions; the importation of tea from China, of products and articles needed for Soviet industry from Japan, and of hides, wool and partly meat from Mongolia, all these activities establish close connections between the whole Harbin group of branches of the "Dalbank" (Far Eastern Bank) and the foreign network of the Far Eastern Bank of Harbin.

Other very important functions of the Far-Eastern Bank of Harbin are the financing of transit export shipments through the Soviet Union from the territory of the Chinese-Eastern

Railway and the introduction of the Soviet chervonets currency into Manchuria. The efforts of the bank in these two directions have already yielded quite appreciable results. The chervonets has conquered a sufficiently firm foothold in the territory of the Chinese-Eastern Railway and in part within China itself. Chervonets quotations in Harbin stand at a high level, the Far-Eastern Bank of Harbin does a brisk business in the purchase and sale of Chervonets exchange, and the Chervonets has achieved a solid reputation with the population of Manchuria on a parity with the other currencies circulating in the country.

Central-Asiatic Commercial Bank

The Central-Asiatic Commercial Bank commenced operations only in March 1924. On October 1, 1924 the total resources of this bank amounted to 21,354,000 gold rubles, which constituted 36.3 per cent of the aggregate resources of Central Asiatic banks. The amount owing to the bank by its clients under the head of loan and discount operations was 10,999,000 rubles, which brought the share of this institution in the general credit operations in this region up to 40.8 per cent of the total.

The following figures express the credit operations of the Central-Asiatic Commercial Bank according to data covering the period of May-September 1924:

Financing:	Gold Rubles
Purchases from small producers.....	14,541,000
Trade	4,862,000
Industry	3,581,000
Credit Institutions	212,000
Other Lines	2,701,000
Total	25,897,000

A comparison with the general credit system in Central Asia shows that the Central-Asiatic Commercial Bank financed 58.7 per cent of purchases of agricultural products and other raw materials, and that it extended 41.6 per cent of the total credits granted to industrial and trading organizations in this territory.

The credits advanced by this bank for financing the purchase of agricultural crops, live-stock, and other raw products were distributed as follows: Cotton—947,000 gold rubles; silk—2,265,000 gold rubles; wool—4,057,000 gold rubles; skins, hides, bristles and casings—1,182,000 gold rubles; karakul—5,276,000 gold rubles; furs—68,000 gold rubles; fruits—385,000 gold rubles; licorice root—13,000 gold rubles; live-stock—8,000 gold rubles; grain—25,000 gold rubles; other products—315,000 gold rubles; making a total of 14,541,000 gold rubles in credits.

The credits extended to finance the purchase of karakul are not only larger than those advanced for any other product, but also place the Central-Asiatic Commercial Bank in the lead with respect to the financing of this branch of economic activ-

ity, the State Bank having granted only 327,000 gold rubles in credits for the same purpose and the Industrial Bank 179,000 gold rubles. The credits issued by the Central-Asiatic Commercial Bank in this line constituted 91.2 per cent of the total.

The financing of these crop and raw product purchases took the form of credits against merchandise, credits against raw materials, or against the shipping documents covering such raw materials.

The credits were divided in the following manner with regard to the categories of clients: State organs—72 per cent; cooperatives—4.8 per cent; private persons—8.4 per cent; Mixed Companies (i.e., companies including private and State capital)—12.3 per cent; credit institutions—2.5 per cent.

According to territorial divisions in Central Asia the credits were distributed as follows: Turkestan Soviet Republic—48.8 per cent; Bokhara Soviet Republic—50.3 per cent; and Khiva Soviet Republic—0.9 per cent.

Domestic and Foreign Trade

THE total trade turnover during the recently ended season of the Baku fair is calculated at 16,544,424 gold rubles. The volume of merchandise sold at the fair was divided as follows with respect to national origin:

	Value in Gold Rubles	Percentage of Total
Persian Goods Sold.....	4,906,300	29.6
Turkish Goods Sold.....	90,700	0.5
		<hr/>
Soviet Goods Sold for Export to Persia	4,088,800	24.7
Soviet Goods Sold for Export to Turkey	485,500	2.9
		<hr/>
		27.6
Soviet Goods Sold for the Domestic Market.....	6,973,100	42.2
		<hr/>
Total Sales.....	16,544,400	100.0

Thus, 57.7 per cent of the turnover consisted of import and export transactions with Near-Eastern countries.

In value the total sales at the fair amounted to 80 per cent of all the merchandise brought in.

The credit operations at the fair developed quite normally.

Chinese Participation in Nizhni-Novgorod Fair

Early in May the Chinese press gave publicity to a report from the Chinese diplomatic representative at Moscow touching upon the desirability of Chinese participation in the forthcoming season of the Nizhni-Novgorod Fair, which is to run from August 1 to September 15. This report was the result of an interview with the director of the Fair, who pointed out that in view of the Soviet Government's interest in promoting trade

with China, it would be advantageous for Chinese merchants to offer furs, hides, bristles, wool and other raw materials which are required by the Soviet Union's industries. On their part the latter would be represented by large stocks of manufactured products, such as dry-goods and hardware, so that mutually profitable commercial exchanges could be arranged. In this connection it was requested that prospective participants in the Fair should advise the management in due time of their intention to take part and of the quantity of merchandise they would offer. The Chinese authorities have requested this information of interested merchants so that it may be forwarded to the Soviet Government.

The Chinese papers commented favorably upon participation in the Nizhni-Novgorod Fair, pointing out that it is a particularly important opportunity to become acquainted with the Soviet market in view of the agreement already made with the Soviet Government and the forthcoming conclusion of a commercial treaty.

Italo-Soviet Trade

During the half-year preceding the conclusion of the commercial treaty between Italy and the Soviet Union, the Soviet Union purchased 2,500,000 lire worth of goods in Italy and sold 58,000,000 lire worth. The major part of the latter sum consisted of grain sales.

After the signing of the trade agreement the ratio of exports to imports changed radically. From April 1, 1924, to May 1, 1925, the Soviet Trade Delegation in Italy made purchases of Italian goods aggregating 53,900,000 lire in value, while the Soviet Union's exports to Italy for the same period amounted to 138,000,000 lire. In general the increase of the total trade turnover between the two countries was accompanied by a more favorable relation between Italy's exports to and imports from the Soviet Union (in 1913 Italy's imports from Russia totaled 73,000,000 lire, while her exports to Russia amounted to 16,000,000 lire).

The growing tendency of Italy's exports to the Soviet Union has been particularly marked during 1925. Thus, in January Italy exported 3,500,000 lire worth of merchandise to the Soviet Union; in February—6,000,000 lire; in March—12,000,000 lire; and in April—18,000,000 lire.

Soviet-Persian Trade

Soviet exports to Persia for the fiscal year 1923-24 constituted 40,756 tons with an aggregate value of 7,506,000 gold rubles, as compared with 228,197 tons with a total value of 57,703,000 gold rubles for the pre-war calendar year of 1913.

The Soviet Union's imports from Persia for the fiscal year 1923-24 amounted to 99,676 tons with a total value of 22,357,000 gold rubles, as against 225,800 tons worth 43,626,000 gold rubles for the pre-war calendar year 1913.

Exportation of Oil Products to Persia

The Perso-Azerbaijan Oil Company (the "Persazneft"), organized in July 1924 for the special purpose of exporting Soviet oil products to Persia, has developed a considerable business during the first year of its activity and has succeeded in bringing this phase of Soviet export trade up to a substantial volume. For the first half of the fiscal year 1924-25 the exports of oil products to Persia aggregated approximately 1,000,000 poods, which is equivalent to 90 per cent of the annual total before the war.

Imports of Half-Watt Lamps Curtailed

Around June 15 the Supreme Council of National Economy of the Soviet Union decided that in view of the extensive development of the country's production of half-watt electric lamps it was necessary to reduce the quantity hitherto imported. During the coming fiscal year the Soviet Union's electrical industry will turn out 2,500,000 half-watt lamps.

Soviet Coal Exports to Austria and France

Early in July, following the conclusion of negotiations by the Coal Export Bureau (the "Exportugol") for the delivery of Donets anthracite to Austria and France, the loading of a coal transport chartered by the Soviet Trade Delegation in Paris was begun at the port of Mariupol. The steamer will carry 3,000 tons of anthracite coal.

Shortly afterward 2,000 tons of anthracite coal were to be forwarded to Austria.

Maize Exports

During June it was reported that the Grain Export Bureau ("Exportkhub") was shipping to Marseilles 110,000 poods of white corn (maize) and 12,000 poods of yellow corn purchased in the Soviet Republic of Georgia.

Administrative Reorganization of Siberia

ON MAY 25, 1925, the Presidium of the All-Russian Central Executive Committee adopted a decision concerning the administrative reorganization of Siberia and containing the following provisions:

I. A Siberian Territory with the city of Novo-Nikolayevsk as its capital shall be formed out of the Provinces of Omsk, Novo-Nikolayevsk, Altai, Tomsk, Yeniseisk, and the Oirad Autonomous Area; the administrative division into provinces and counties is to be abrogated, substituting for it a division into districts and subdistricts. The Siberian Territory is to include also the following parts of the Ural Region: the basin of the Vakh River, and the Alexandrovsk subdistrict of the Tobolsk district, to be added to the Tomsk district; and also to include the following rural So-

viets: Yelansk, Panovsk, and Tiubentinsk of the Zagvazdinsk subdistrict in the Ishimsk district, to be added to the Ust-Ishimsk subdistrict in the Tara district of the Siberian Territory.

Note: The Province of Irkutsk shall remain subordinate to the administrative organs of the Siberian Territory until the settlement of the question of districting of the Russian Far-East and the creation of a Lena-Transbaikal Region.

II. The Siberian Revolutionary Committee shall be authorized to complete the districting of Siberia during the current fiscal year, appointing the dates for convening the district and subdistrict congresses of Soviets in August and September of 1925 and for the convening of a territorial congress of Soviets not later than October, at which congress a Siberian Territorial Executive Committee of Soviets shall be elected.

III. The following division of the Siberian Territory into districts and subdistricts is confirmed:

1. The Tara District, embracing Tara County in Omsk Province, with the city of Tara as its seat, made up of 10 subdistricts.

2. The Omsk District, embracing Tiukalinsk, Omsk, and Kalachinsk Counties in Omsk Province, with the city of Omsk as its seat, made up of 21 subdistricts.

3. Slavgorod District, embracing Slavgorod County in Omsk Province and the Andreyevsk subdistrict of Tatarsk County in Omsk Province, with the city of Slavgorod as its seat, made up of 13 subdistricts.

4. Barabinsk District, embracing Tatarsk County in Omsk Province, Kainsk County in Novo-Nikolayevsk Province, and two subdistricts (Ubinsk and Baklushevsk) of Kargat County in Novo-Nikolayevsk Province, with the city of Barabinsk as its seat, made up of 17 subdistricts.

5. Novo-Nikolayevsk District, embracing Novo-Nikolayevsk County in Novo-Nikolayevsk Province, three subdistricts (Kargat, Indersk, and Chulym) of Kargat County in Novo-Nikolayevsk Province, and three subdistricts (Cherepanovo, Maslianino, and Legostayevo) of Cherepanovo County in Novo-Nikolayevsk Province, with the city of Novo-Nikolayevsk as its seat, made up of 20 subdistricts.

6. Kamen District, embracing Kamen County in Novo-Nikolayevsk Province, two subdistricts (Petrovskoye and Kochki) of Kargat County in Novo-Nikolayevsk Province, and one subdistrict (Bitkovskoye) of Cherepanovo County in Novo-Nikolayevsk Province, with the city of Kamen as its seat, made up of 13 subdistricts.

7. Barnaul District, embracing Barnaul County in Altai Province and two subdistricts (Zalesovo and Talmenka) of Cherepanovo County in Novo-Nikolayevsk Province, with the city of Barnaul as its seat, made up of 16 subdistricts.

8. Biysk District, embracing Biysk County of Altai Province, with the city of Biysk as its seat, made up of 18 subdistricts.

9. Tomsk District, embracing Tomsk County in Tomsk Province, six subdistricts (Zyrianskoye, Malo-Peschanskoye, Izhmorskoye, Troitskoye Marinskoye, and Upper Chebulinsk) of Marinsk County in Tomsk Province and the Narym region, with the city of Tomsk as its seat, made up of 24 subdistricts.

10. Kuznetsk District, embracing Kalchuginsk County (formerly Shcheglovsk and Kuznetsk) in Tomsk Province, with the village of Kolchugino as its seat, made up of 11 subdistricts.

11. Achinsk District, embracing Achinsk County in Yeniseisk Province and Marinsk County (with the exception of the six subdistricts mentioned in paragraph 9) in Tomsk Province, with the city of Achinsk as its seat, made up of 13 subdistricts.

12. Krasnoyarsk District, embracing Krasnoyarsk County in Yeniseisk Province, the Balakhinsk subdistrict of Achinsk County in Yeniseisk Province, and the Turukhansk region, with the city of Krasnoyarsk as its seat, made up of 12 subdistricts.

13. Minusinsk District embracing Minusinsk County in Yeniseisk Province, with the city of Minusinsk as its seat, made up of 8 subdistricts.

14. Kansk District, embracing Kansk County in Yeniseisk Province, with the city of Kansk as its seat, made up of 13 subdistricts.

15. Khakassk District, embracing Khakassk County in Yeniseisk Province, with the village of Ust-Abakansk as its seat, made up of 4 subdistricts.

16. Rubtsovsk District embracing Rubtsovsk County (with the exception of the western part of Uglovsk subdistrict) in Altai Province, made up of 8 subdistricts.

IV. The Oirad Autonomous Area enters into the Siberian Territory as an independent administrative and economic unit, maintaining the rights granted to it by the decrees covering its formation and by subsequent legislation, with its present boundaries intact, embracing 10 divisions.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.

1 verst equals about two-thirds of a mile (0.66).

1 arshin equals 0.77 yard.

1 sazhen equals 7 feet.

1 dessiatin equals 2.70 acres.

1 vedro (bucket) equals 3.25 gallons.

1 gold ruble equals \$.514.

1 kopeck equals .01 of a ruble.

1 chervonetz equals 10 gold rubles; its gold parity is \$5.14.

Soviet Passport Regulations

ON June 5, 1925 the Central Executive Committee and the Council of People's Commissars of the Union of Socialist Soviet Republics passed the following resolution confirming the proposed decree concerning entry into and departure from the boundaries of the Union of S. S. R.:

The Central Executive Committee and Council of People's Commissars of the Union of S. S. R. resolve:

1. To confirm the proposed decree covering entry into and departure from the territories of the Union of S. S. R.

2. To propose to the Central Executive Committees of the Constituent Republics that the analogous legislation of these Republics be made to conform with the above-mentioned decree.

The text of the decree in question is reprinted below, a few paragraphs which are not of general interest (concerning diplomatic and official service passports) having been omitted due to lack of space.

SECTION I.

Entry into the Territories of the Union of S. S. R.

1. With the exception of the cases provided for in the second part of the present Article and in Articles 6 and 7, the entry of persons of Soviet, as well as of foreign, citizenship is passed upon by the People's Commissariat for Foreign Affairs of the Union of S. S. R., by the Offices of the Plenipotentiary Representatives and Consulates of the Union of S. S. R., and likewise by the specially empowered Delegations of the Union of S. S. R. in foreign countries.

An unexpired passport will serve as permission for return entrance in the case of persons of Soviet citizenship who have received passports for abroad after the publication of the present decree and have left the territories of the U. S. S. R.

The entrance permit mentioned in the first part of this Article is granted in the form of a visa affixed to the passport; in the case of issue of a permit by the People's Commissariat for Foreign Affairs, the visa is affixed by the above-mentioned Offices of the Plenipotentiary Representatives, Consulates and Delegations at the recommendation of the People's Commissariat for Foreign Affairs.

2. The entry of immigrants or reemigrants who are engaged in agricultural or industrial work into the territories of the Union of S. S. R. is permitted in accordance with the method prescribed in the decree passed by the Council of People's Commissars of the Union of S. S. R. on February 17, 1925, regarding the Standing Commission of the Council of Labor and Defense on Agricultural and Industrial Labor Immigration and Emigration (Collected Statutes of the Union of S. S. R., 1925, No. 16 Art. 119).

Departure from the Territories of the U. S. S. R.

3. Exit for foreign parts by citizens of the Constituent Republics and thereby of the Union of S. S. R. is permitted only with passports for abroad issued under the procedure prescribed in Section II of the present decree.

4. The departure of foreign citizens present on the territories of the Union of S. S. R. and possessing diplomatic and official service passports, as also of members of foreign delegations attending international conferences, is effected through visas by the People's Commissariat for Foreign Affairs or through visas by the authorized Representatives of the Commissariat for Foreign Affairs attached to the Councils of People's Commissars of the respective Constituent Republics, and likewise through visas by agents of the People's Commissariat for Foreign Affairs specially authorized to issue them.

5. Other foreign citizens sojourning within the territory of the Union of S. S. R. substantiate their right to departure by obtaining an exit visa, affixed directly on their national passports by the People's Commissariats for Internal Affairs of the respective Constituent and Autonomous Republics or by their Provincial organs or bodies corresponding thereto.

Short-Term Permits to Cross Boundaries of U.S.S.R.

6. The procedure for the issuance of permits to cross the frontier to permanent inhabitants of the border zone and on special occasions for traversing the frontiers of the Union of S. S. R. in the East (local fairs, etc.), is subject to agreements with neighboring nations, and likewise to ordinances of the People's Commissariat for Foreign Affairs issued with the concurrence of the United State Political Department, the People's Commissariat for Foreign Trade of the Union of S. S. R. and the People's Commissariats for Internal Affairs of the Constituent Republics.

7. The admission and stay of foreign ship crews ashore while their vessel is stopping at the ports of the Union of S. S. R., are governed by regulations confirmed by the Council of People's Commissars of the Union of S. S. R. at the recommendation of the People's Commissariat for Foreign Affairs.

SECTION II

General Regulations Concerning Passports for Abroad

8. For departure from the territories of the Union of S. S. R., for sojourning outside the limits of the Union and for returning to the territories of the Union of S. S. R. the following categories of passports for abroad are issued to citizens of the Constituent Republics and thereby of the Union of S. S. R.: (a) ordinary passports, (b) official service passports, and (c) diplomatic service passports.

9. A consular fee is collected for passports for

abroad only upon the issue of ordinary passports, and also for vizing foreign national passports (Art. 5.), at a uniform rate, insofar as no special rate has been prescribed by special agreements with foreign governments on a basis of reciprocity.

10. Passports for abroad are valid for the period indicated thereon, which may be extended by the offices of the plenipotentiary representatives and consulates of the U. S. S. R. in foreign countries.

The validity of ordinary passports for abroad shall be limited to three months prior to going abroad and one year from the date of actual departure from the boundaries of the Union of S. S. R.; this term may be renewed in the manner above described, upon payment of the fee prescribed for the issue of such passports.

Issuance of Ordinary Passports

13. The issuance of ordinary passports for abroad and the affixing of visas for departure is conferred upon the People's Commissariats for Internal Affairs of the Constituent Republics and upon local organs specially empowered by these commissariats.

Note: Outside the limits of the Union of S. S. R. the issuance of ordinary passports for abroad is effected through the offices of the plenipotentiary representatives and the consulates of the Union of S.S.R. acting in accordance with the instructions of the People's Commissariat for Foreign Affairs.

14. The issue of ordinary passports for abroad to privates or officers in the Workers' and Peasants' Red Army and Navy who are either on unlimited leave or on reserve, is permissible only upon presentation of an authorization to leave the confines of the Union of S. S. R., obtained at the place of service or of permanent residence from the Revolutionary Military Councils of the fronts, the armies, the military districts and fleets, from the commanders of the forces of military districts (where there is no Revolutionary Military Council) or from other organs of the People's Commissariat for Army and Navy, specially empowered by the Revolutionary Military Council of the Union of S. S. R.

15. The issuance of ordinary passports to (a) citizens subject to call for military service—during a period of six months preceding their summons to service, and to (b) citizens members of whose army class were called to actual military service or listed in the territorial formations (with the exception of individuals exempted due to illness), is permissible only upon presentation of an authorization to leave the confines of the Union of S. S. R., obtained by such citizens at their place of permanent residence from the Revolutionary Military Council or from the commanders of the military forces in the military districts in question in the manner prescribed by them.

All other citizens bound by military service may obtain ordinary passports for abroad by complying with the regulations of military registration.

Foreign Relations of the U. S. S. R.

Mr. Tchitcherin on the Events in China

THE Russian papers of July 1 published the following interview given by Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, in connection with certain charges raised against the Soviet Government in some British newspapers and in some sections of official English circles as a result of developments in China:

A certain part of the British press, as well as newspapers in other countries, is carrying on a bitter campaign against the Soviet Union in connection with Chinese events.

This campaign received virtually official sanction through a statement made by Lord Birkenhead, Minister of Foreign Affairs, on the question of relations between England and the Union of Socialist Soviet Republics. Lord Birkenhead expressed regret that the British Government did not have an opportunity to take counsel with a united Europe concerning the strange and menacing scourge known under the name of Bolshevism. In this connection he quoted the words of Chamberlain to the effect that the disorders in China are being stirred up by agents of another government. He further intimated that the moment might come when the British Government would ask itself whether it is really helpless when face to face with a government which has diplomatic representation in England and which is none the less endeavoring to disrupt the British Empire by incessant underground activity throughout the world.

As Commissar for Foreign Affairs I cannot pass over in silence this extraordinary declaration by a member of another government, with which the Soviet Union has normal relations. In effect Lord Birkenhead is seeking a rupture of diplomatic relations with the Soviet Union. His speech is accordingly aggressive in the extreme and amounts to a demand for taking with regard to the Soviet Union an exceedingly hostile step, beyond which there is nothing but war. It is quite apparent that Lord Birkenhead and those with him are seeking a pretext for the commencement of a conflict whose results cannot be foreseen. The statement by Lord Birkenhead is so serious that on my part, as People's Commissar for Foreign Affairs of the Soviet Union, I must call the most earnest attention of all to the grievous consequences which might ensue from the execution of Lord Birkenhead's threat. The worldwide economic and political crisis is already grave enough without this. The general political situation, too, is tense enough without this. Let each one imagine for himself what would be the outcome in the event of a realization of the threat of a diplomatic break between the Soviet Union and England. In this connection I have in view

the interests of England herself and, in particular, of the broad English working masses. On the one hand, the growth of unemployment in England is known to all. During the two weeks between May 25 and June 8 the number of unemployed in England increased by 104,000. On June 15 the number of unemployed in England was 228,000 greater than a year before (1,280,000 as against 1,052,000 in June, 1924). The developing industrial crisis in England finds expression in the fact that the size of England's unfavorable trade balance threatens to beat all records. England already faces the prospect of a deficit in her international balance of payments. On the other hand, observe the immense and rapid growth of the Soviet Union's productive forces and foreign trade. The Soviet Union will now place much larger orders in England than heretofore. Such are the circumstances under which Lord Birkenhead demands the discontinuance of relations with the Soviet Union. It is manifest to all what this will mean to the broad working masses of the English people.

Events in China served as a pretext for Lord Birkenhead's enunciation of this demand. A victim of political oppression on the part of the Great Powers, a victim of economic exploitation on the part of capital from more developed countries, a victim of the direct manifestations of ferocity on the part of the representatives of these Powers in China, the Chinese people rose up against this yoke through mass strikes connected with various forms of political demonstration. None other than Senator Borah, one of the most prominent men in American public life, declared in answer to a resolution by the American Chamber of Commerce in Hankow: "There will be no disorders in China if foreigners respect the rights of the Chinese people." But the most extreme section of the British Conservatives, Lord Birkenhead included among them, desiring to maintain the foreign yoke over the Chinese people, are looking for some scape goat, with an eye to the public opinion of England and its dominions. However, the charges which they are making against the Soviet Government are false from start to finish.

In the first place, what interests England in her relations with China, is the development of trade between the two countries. I declare that on our part absolutely nothing has been undertaken which could harm China's foreign commerce in the least, and, in particular, trade between China and England. On the contrary, that solution of the questions confronting China which is, in my opinion, the best, namely, the creation of a rejuvenated, centralized, democratic China, independent and free of all transgressions upon its sovereign rights, will in the highest degree promote the development of China's commerce with

other countries, and, in particular, with England. I do not conceal the fact that the Government and the people of the Soviet Union sympathize with the struggle of the Chinese people for the attainment of this aim, that is, for its complete liberation and independence and for the creation of a centralized democratic system; but sympathy does not signify interference in the domestic affairs of another nation, and the Soviet Government's policy most strictly and studiously avoids anything that might be construed as such intermeddling. Just as gross a falsehood is the assertion that the Soviet Government desires to create and maintain a condition of chaos in China. Exactly the contrary is the case: the Government and the public of the Soviet Union are interested in seeing China create a democratic system which will guarantee the Chinese people an opportunity for peaceful development without any foreign encroachments. It is none other than the imperialist Powers which extend aid now to one and now to another general or governor-general, thus prolonging the internecine strife in China and rendering impossible the creation of a democratic order. It is, on the contrary, precisely the Soviet Government which considers that the triumph of democracy in China would be the most helpful and expedient outcome from the viewpoint of China's relations with other nations.

But while the Soviet Government sympathizes with such an outcome, its fundamental principle with respect to China is a full and consistent respect for the sovereign rights of the Chinese people and the sovereignty of China. I regard it as altogether out of the question for the Soviet Government to make any attempt whatsoever to play the role of protector with reference to China and to intercede on one side or the other of the forces within China in their internal struggle. The Chinese people is master of its own destiny and must be such—this is the Soviet Government's basic principle which the Soviet Government applies without restriction with regard to China just as well as with regard to any other people. The Chinese people have never given Lord Birkenhead a mandate to decide for them how they are to govern themselves. Is China indeed a colony formally, and not an independent country? Has China indeed no government of its own? On what ground does Lord Birkenhead adopt a decision for the Chinese people and the Chinese Government? During the period when patriarchal rule was recognized the father disposed of his children and adopted decisions for them. On what basis does Lord Birkenhead proceed thus with respect to the Chinese people? What would Lord Birkenhead say if a member of another government would attempt to dispose of the fate of England in the same manner? The Chinese people alone has the right to determine its destiny. If it desires to shape its own political or economic relations in one way or

another, that is its own business to be decided by its own will.

No less absurd than the charge brought against us that we are endeavoring to bring about chaos in China, is the other accusation that the Soviet Government or its agents are striving to stir up a movement in China against all foreigners in general. The international program of the party in power in the Soviet Union is a sufficient guarantee that neither the Soviet Government nor its agents will ever make it their aim to incite one people to hatred against all others. On the contrary, the Soviet Union looks in the most sympathetic manner to the development of progressive principles in China, the development of the country's productive forces, and the close fellowship of the Chinese people with all other peoples.

Lord Birkenhead goes further and accuses the Soviet Government of striving to disrupt the British Empire and of supporting everywhere a movement which is a scourge to all humanity. Why does the Honorable Minister forget to say that from the very first moment that the Soviet Union entered into de facto relations with Great Britain, it was none other than the Soviet Government which continuously and repeatedly proposed to the British Government an examination of all the disputed questions separating us, in order that an agreement might be reached to the mutual interest of the two sides. Last year an agreement was drawn up between the two Governments with regard to several of the most disputed questions between us, and Lord Birkenhead has only his own Government to blame if this attempted settlement came to naught. As a result of the disavowal of this agreement by the present English Ministry, Lord Birkenhead and his followers are trying to ascribe to the Soviet Government certain aggressive intentions in international affairs. The Soviet Government is supposed to be endeavoring to destroy the British Empire. But let Lord Birkenhead remember that not only was the Soviet Government the initiator of every attempt to come to an agreement with England, but also that the efforts to menace the external safety of the Soviet Union proceed precisely from the Great Powers.

The friendly relations, which are being created between the Soviet Union and the nations of the East and which are growing firmer day by day, are the result of the practical effect given by the Soviet Government to the principle of national self-determination, which is practised in still larger measure in the Soviet Union itself.

At any rate, we were on the point of concluding an agreement with England, and we were not the ones to tear it up. I have repeatedly declared that the Soviet Government is fully prepared to come to an agreement with any Government for the purpose of strengthening worldwide peace and stabilizing international relations. This is the best refutation of the false and slanderous at-

tacks made upon the Soviet Government in connection with the events in China, which are at present finding their way to a considerable part of the foreign press.

Arrest of Soviet Citizen in Shanghai

In connection with the recent events in China the police authorities of the foreign powers in Shanghai arrested Mr. Dosser, a representative of the Soviet Oil Syndicate. On July 4 Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, addressed a note to Mr. Hodgson, British Charge d'Affaires in Moscow, in which he protested against the trial of Mr. Dosser by a mixed court. Pointing out the fraudulent character of the document incriminating Mr. Dosser, the note insists upon the dismissal of the case against Mr. Dosser and upon the latter's liberation with the reservation of the right of the Soviet Government to demand full indemnification in connection with the incident.

According to the latest information Mr. Dosser has been acquitted.

Protest against Raids by Polish Military Forces

In connection with the raids made by Polish troops on June 28 and July 1 upon the Soviet border post No. 8 in the Lepeshovki-Shilikha district, Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, addressed—on July 4—a note to Mr. Kentczynski, the Polish Envoy in Moscow, vigorously protesting against this attack upon the Soviet border post. After pointing out that this is not the first instance of a raid by the Poles and recalling the attack in the Yampol region on January 4, Mr. Tchitcherin's note demands that the Polish Government adopt immediate measures for the effectual protection and inviolability of the national frontier. In his note Mr. Tchitcherin demands the creation of a mixed commission with equal representation for both parties for the purpose of investigating the incident, and in the name of the Soviet Government he reserves the right to lodge claims for indemnification to cover the material losses occasioned by the raid and the medical expenses in the case of the Deputy Post Commander, who was wounded by the raiders.

In conclusion Mr. Tchitcherin demands an immediate response with regard to the measures to be adopted and the mixed investigating commission.

According to newspaper reports the Polish Government has agreed to the formation of a mixed Soviet-Polish commission for the investigation of border incidents.

Turkish Ambassador on Soviet-Turkish Relations

On July 9, Mr. Zekkay-Bey, the new Turkish Ambassador to the Soviet Union, presented his credentials to Mr. Kalinin, President of the Central Executive Committee of the Soviet Union. Mr. Zekkay-Bey served as Turkish Ambassador in London prior to his appointment to Moscow.

In an interview with a representative of the Soviet press Mr. Zekkay-Bey stated that the prospects for satisfactory relations between Turkey and the Soviet Union are of the very best. He added that his present activity would be devoted toward the further cementing and consolidation of the sincere and friendly interrelations already established between the two countries.

The new Turkish Ambassador said that Turkey is also turning its attention to an economic rapprochement with the Soviet Union. "We are now on the eve of negotiations for the extension of economic relations between the two countries," said Mr. Zekkay-Bey, "and I trust that the discussions will lead to concrete results. The cultural rapprochement of Turkey and the Soviet Union is proceeding parallel with the development of economic and commercial relations. This is my first visit to Russia and I am not yet acquainted in detail with the expansion of Soviet industry, which might find an application in my country. I think that the technical capacity of friendly nations will meet with an excellent welcome in Turkey, which as a consequence of the war and other events is in need of railway repairs, municipal construction, a larger supply of agricultural machines, and so forth."

In concluding the conversation, Mr. Zekkay-Bey remarked upon the extraordinary attention shown to him on his arrival at Odessa and Moscow and expressed his thanks to the Soviet Government for so cordial a welcome.

PAMPHLETS

published by the

RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

The Russian Information Bureau has received a number of copies of the
Official Report of the British Trades Union Delegation to Russia

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Cultural Life in the Soviet Union

Latest Phenomena in Russian Art

By PROFESSOR A. A. SIDOROV

IN Russian painting, as well as in Russian literature, the dictates of social problems were always alive, and even at a time—before the decisive turn in the war and the advent of the Revolution, when Russian art obtained the possibility of passing through its period of pure aestheticism, of “art for art’s sake,” it was definitely colored by more than formal shades. In the advocacy either of the old beauty or of new aesthetic achievements, one could easily detect the note of sharp protest both against the prevailing social conditions and against the mustiness of official academism. The Russian painters belonging to the “aesthetical” formalistic groups ranged themselves on the side of the Revolution almost from the start. To a considerable extent the splendid development of Russian museum activities and of Russian art schools is due to their influence. However, it was but natural for specific “revolutionary art” to emerge outside of the existing groups.

Just now Russia is witnessing a spectacle which will prove of quite exceptional interest to the future historian. “Revolutionary art” furnishes proof of its existence not merely by slogans, and not merely by the pious wishes of artists who sincerely endeavored to portray the unusual contemporary events, but also by unquestionable art values already attained. It seems that the fundamental task of modern Russian art is the insistent desire to prove really equal to the exceptional tasks imposed on it by the revolutionary content of the present epoch. It is for this reason that anything but stagnation may be found in the Russian art of today. Never was there such strenuous seeking, never were such definite departures witnessed, and if actual achievements are still fairly rare, the road toward them has already been outlined very clearly. This, perhaps, constitutes the difference between the art of the first period of the Revolution and that of today. In the first years of Soviet rule the emphasis was placed upon the process of seeking, and artistic creation bore the stamp of analysis. Russian painting, separated by the blockade from the West, which had always nourished Russian art with formal achievements, had for a time (perhaps, for too long) confined itself to the laboratories and studios, intensifying its skill by purely professional seeking, and specializing on the most minute questions of form and technique.

The sense of the “left-wing” art in painting, which has brought forth two rather famous paintings, one of them representing just a black square (K. Malevitch), and another covered all over with red paint (A. Rodtchenko), and which has gone to every extreme in its analytical seeking, corresponds perhaps in some degree to the psy-

chology of the destructive period of the revolution. This rather emphasizes the fact that in the second creative period of the Russian revolution these analytical tendencies in Russian painting should be considered as done away with. The purely abstract painting of the first period of the Revolution was bound either to pass from mere analysis to synthetical composition, or altogether to quit the realm of pure painting and to turn to production, applying the technical and formal results obtained to the immediate prosaic practice of labor, commerce and advertising. It is probably not wrong to say that lately the whole of the “left-wing art” of the first days of the revolution, with insignificant exceptions, has been following the second course. “Suprematism” and “Themelessness” have found very successful application in the textile industry, in sign painting and in the printing of commercial posters, where the unavoidable pictorial part is filled by photographic reproductions. This line of “industrialism,” which may be considered as very characteristic in modern Russian art, is followed to a considerable extent also by the young art students. Here art is found in real life, without supercilious shunning of even the most prosaic tasks that may be imposed by life. It was certainly the revolution that taught Russian art the pathos of labor.

However, these tasks do not suffice. Art can never become entirely merged in industry, for the simple reason that real life demands from art a large number of contributions which art alone can give. It is art alone that possesses the force of imaginative action which renders patent the most abstract idea, which is capable of wonderful inspiration of will-power and sentiment. It is on this line of development that the Russian art of today is building its agitational and propagandist efforts. The Russian poster of the civil war period will take its place in the history of Russian art as a quite original and unprecedented manifestation of paramount artistic importance. As a continuation of the agitational poster the epoch of peacetime economic reconstruction in the present time has called forth the cartoon art of the satirical review, which must be considered as an important variety of modern Russian art. The simple Russian design dealing either with social scenes or social satires, has unquestionably made some beautiful achievements, executed either in colored lithography or in humble black-and-white and published in periodical papers which by their technical appearance are by no means second to any of those published in the West. The Russian graphic art, which has scored some quite remarkable achievements in the production of books during these years merits even closer and more minute examination.

The synthetic epoch, which is now emerging before Russian painters and sculptors affords the

possibility of very interesting achievements. Revolutionary reality obviously confronted the artists with two special aims in this respect. It was necessary to give documentary artistic form to the accomplished revolution. It was essential to retain the living images of the modern leaders in a number of portraits. Russia has been aroused from her long stupor and her artists have realized that the interpretation of the great changes that had taken place could be attained only by collective effort. Thus was formed the Association of Artists of Revolutionary Russia (A.A.R.R.), which is confronted with this purely pictorial branch of art. The A.A.R.R. has united in its ranks a number of artists of fairly diversified qualities and has already produced several pre-eminently talented portraitists (Kiselis, Katzman), scene painters, observers and recorders of history. They were joined by the already famous painter I. Brodsky, whose work was the subject of great interest among art critics in the current year.

This task of "recording" and "commemorating" has naturally caused a turn in Russian art, in this respect, towards realism or even towards naturalism, which affords a very interesting parallel between Russian art and the neo-classicism of the West. The art synthesis embraces in the portrayal of actual themes both many of the modern achievements as well as the old traditions of Russian art which seemed to have been entirely forgotten. Russian painting stands alone in this respect, as it does not follow the neo-classicists (e. g. of Italy) in utilizing the creations of the old masters of the Renaissance, but rather goes back to Barocco, whose heroic and broad gestures are at times very convincingly repeated, as shown by the works of Yakovlev, and particularly Nikonov.

Establishment of Federal Soviet Telegraph Agency

The Soviet Government recently approved a legislative measure for the establishment of a Federal Soviet Telegraph Agency.

This measure defines the Federal Soviet Telegraph Agency (the "TASS") as the Soviet Union's central information bureau, designed to distribute throughout the Soviet Union and in foreign countries political, financial, economic, trading and other news concerning the Soviet Union and foreign nations.

To accomplish this purpose the Federal Soviet Telegraph Agency is accorded the exclusive right of collecting Soviet news and distributing it abroad and also the privilege of distributing foreign and domestic information within the confines of the Soviet Union.

In addition to this the Federal Soviet Telegraph Agency will enjoy the exclusive right to enter into agreements with foreign telegraph agencies, to or-

ganize branches and correspondence offices abroad, and to have the copyright privileges on all its news stories, regardless of the means of communication employed for their distribution, under the existing copyright laws of the Soviet Union and the Constituent Republics.

The measure anticipates the organization of telegraph agencies to cover the individual Constituent Republics under the general supervision of the Federal Soviet Telegraph Agency.

Free Transmission of Printed Matter for Book Chambers

The following are the principal provisions of a decree passed by the Council of People's Commissars of the Soviet Union on May 2, 1925, authorizing the free transmission of printed matter addressed to book chambers and libraries:

The privilege of free postal and railroad transmission shall be extended to parcels and freight lots of printed matter shipped by typographical establishments and various organizations (local book chambers, publishing houses and their branches, Provincial printing departments, etc.) to the Central Book Chamber of the R. S. F. S. R. (Soviet Russia proper), and by the latter to any library in the R. S. F. S. R.

The same free transmission privilege shall also apply to parcels and freight lots of printed matter shipped to the book chambers or institutions corresponding to them in the other Constituent Republics, and likewise to shipments of printed matter forwarded to libraries by the institutions in question.

New Soviet Encyclopedia

In accordance with a report submitted by Mr. M. N. Pokrovsky, Acting People's Commissar for Education, the Presidium of the Central Executive Committee of the Soviet Union recognized the publication of a Soviet encyclopedic dictionary as necessary and timely. The Presidium of the Communist Academy is commissioned to organize the publication of this dictionary on a business basis with the collaboration of other Soviet publishing institutions in the work. The editorial staff of the "Great Soviet Encyclopedia" includes the following names: G. Krzyzanowski, L. Kritsman, V. Kuybyshev, Yu. Larin, V. Miliutin, N. Meshcheriakov, M. Pokrovsky, I. Stepanov-Skvortsov, and O. Schmidt.

The next issue of the "Russian Review" will contain the following articles on the cultural life of the Soviet Union: "Art Industries in the Soviet Union," "The Art of the Theatre in New Russia," "The Russian Academy of Sciences in 1924," and a number of other items on the cultural achievements of the Soviet Union.

Miscellaneous News

Nansen's Armenian Repatriation Commission

On July 3 Nansen's Armenian Repatriation Commission arrived at Tiflis on its return from a trip to Armenia to study the feasibility of resettling Armenian refugees in the country. The Commission investigated several districts, particularly with regard to the practicability of irrigating the land and raising various crops. This was the principal object of the Commission's journey to Armenia.

Nansen visited the extensive arid region of the Sardarabat Steppe, which covers an area of 180,000 dessiatsins. The Armenian Government has a project based upon the possibility of converting this arid region into fruitful land by means of irrigation. The cost of installing a system of irrigation canals in the Sardarabat Steppe is estimated at 10,000,000 gold rubles.

The Nansen Commission also visited the spot where it is proposed to construct a dam across the Arpiacha River. Instead of the construction of an immense single dam a project has been accepted for the gradual irrigation of the Sardarabat Steppe through the erection of a series of small dams for a distance of 30 versts.

It is supposed that 9,000 Armenian refugees now living in Greece under the most distressing circumstances will be the first to be repatriated. These will be followed by the 5,000 Armenian refugees at present located in Constantinople. In addition to this Nansen's organization plans to assist 50,000 other Armenian refugees in other countries to return to their home-land and settle down on the land.

Meeting of Soviet and Foreign Journalists

On May 23, 1925, a friendly meeting of Soviet journalists participating in the Federal Congress of Newspaper Workers and representatives of the foreign telegraph agencies was held in the Moscow headquarters of the Russian Telegraph Agency ("Rosta").

During the banquet greetings were extended by Mr. Suster in the name of the Stefani Agency, by M. Fontenoy in the name of the Havas Agency, by Mr. James Mills on behalf of the Associated Press, and by Mr. Rellinghof for the Wolff Agency, all of whom pointed out the integrity and truthfulness of the Soviet press as its distinguishing characteristics and emphasized its sincerity and courage in revealing the shortcomings of the Soviet administration.

In a responding address Mr. Y. G. Doletsky, managing head of the "Rosta" service, welcomed the representatives of the foreign agencies and stated that their cooperation with the representatives of the Soviet agencies had yielded the most

fruitful results, especially in furnishing correct information about the situation in the Soviet Union.

Ukrainian as Official Language

It is expected that before the expiration of the limit of January 1, 1926, established by the Council of People's Commissars of the Ukrainian Socialist Soviet Republic, it would be possible to complete the program for inaugurating the practice of carrying on the business of all State, trade union and cooperative institutions exclusively in the Ukrainian tongue. It was decided to devote special attention to speeding up the process of "Ukrainianizing" the local Soviet administrative apparatus. For this purpose the People's Commissariats and central institutions of the Ukrainian Soviet Republic are to conduct all their correspondence with the lower bodies solely in the Ukrainian language.

Composition of Russian Communist Party

On January 1, 1925 the Russian Communist Party included 401,481 full-fledged members (an increase of 22 per cent during the course of a year) and 339,636 applicants on probation (a rise of 190 per cent as against the corresponding figure for January 1, 1924). At the opening of the current year the combined total of members and applicants was accordingly 741,117, an advance of 66 per cent over the aggregate of 446,089 a year previous.

The proportion of workers (industrial, transport, etc.) in the Party has augmented substantially, rising from 196,000 (44 per cent of the total) on January 1, 1924 to 429,000 (57.9 per cent of the total) on January 1, 1925. Not all of these, however, have remained on the job as manual workers. Nevertheless, somewhat over 302,000 are working at their trades, making up 40.8 per cent of the entire Party. This represents a large increase over the figure a year ago, when the proportion of party members actually employed in industry, transport, etc., was only 18.8 per cent.

Peasants constitute 25.3 per cent of the Party total. However, the majority of these have been completely or partly detached from agricultural activity. The Communists engaged exclusively in farming made up 8 per cent of the Russian Communist Party on January 1, 1925. The Communists "behind the plow" aggregate 33.6 per cent of all the rural Communists (154,730). Two-thirds of these rural Communists are active in Village Soviets, Volost (Township) Executive Committees and other local bodies, but this does not mean that they do not work on their farm at the same time. In the rural division of the Party 8

per cent are cooperative workers, 1.3 per cent country teachers, and 1.9 farm laborers.

At the beginning of the current year the office workers and clerks in the Party constituted 16.8 per cent of the total. It must be remarked that this group is far from homogeneous, embracing executives and specialists, petty office workers, messengers, store clerks, nurses, etc. While this group makes up only 16.8 per cent of the Party's numerical strength, it constitutes 35.8 per cent of those active in regular party work.

Direct Vladivostok-England Steamship Line

The increasing exports of Manchurian grain to England via Egersheld, the free-port section of Vladivostok, has led to the establishment of a through steamship line between Vladivostok and England, with a call at a Black Sea port. A number of British steamers, together with the Soviet vessels "Transbalt" and "Dekabrist" will be regularly engaged in this service.

Agricultural Settlement of Jewish Workers

During the middle part of June the Presidium of the All-Russian Central Executive Committee passed favorably upon a proposal concerning the establishment of a Committee on the Agricultural Settlement of the Toiling Jewish Population, to be attached to the Presidium of the Council of Nationalities in the Central Executive Committee of the Soviet Union.

Leningrad Industries Speed up Production

A report presented early in May to the Permanent Commission for Raising Labor Productivity in the northwestern industrial region of the Soviet Union showed that as a result of the campaign carried on for this purpose the productivity of labor in Leningrad's heavy industries had increased 83 per cent (79.5 per cent in the electrical industry) as compared with the previous fiscal year, while the workers in the light industries had achieved an increase of from 200 to 250 per cent. Leningrad's industries as a whole have reached a level of 51 per cent in labor productivity as compared with the pre-war standard. Wages have approached their pre-war norm, now averaging between 94 and 95 gold rubles a month per worker.

Next Year's Production Program for Leningrad Textile Industry

The production program of the Leningrad textile industry for the forthcoming fiscal year, beginning October 1, 1925, calls for an aggregate output valued at 128,600,000 gold rubles (cost price), as against a total output worth 59,600,000 gold rubles for the current fiscal year terminating September 30, 1925. The textile industry will have 22 enterprises in operation in Leningrad. The number of spindles will be brought up to 698,-

000 and the number of looms to 7,300. The execution of the program will require the handling of 1,673,000 poods of cotton and 97,360 poods of wool.

Application of Partial Amnesty

During the year 1924 the Presidium of the Central Executive Committee of the Soviet Union reviewed 39,635 amnesty petitions in connection with 28,373 cases, which constitutes about 1.7 per cent of all cases tried by the courts. These petitions were distributed as follows under the various criminal categories: Offenses committed during fulfilment of public office—1,816 (4.6 per cent of total petitions); misappropriation of public property—1,470 (3.7 per cent); acceptance of bribes—2,913 (7.2 per cent); forgery and fraud—1,113 (2.8 per cent); infractions of labor laws—386 (0.9 per cent); infractions of food tax laws—4,024 (10.2 per cent); offenses connected with illicit distilling—3,706 (9.4 per cent); counter-revolutionary crimes—1,725 (4.3 per cent); espionage—123 (0.4 per cent); banditry—4,062 (10.3 per cent); larceny—5,479 (14.5 per cent); murder—4,527 (11.4 per cent); rape—591 (1.5 per cent); military offenses—1,925 (4.8 per cent); other offenses—5,505 (13.8 per cent). Under the classification "other offenses" are included infractions of administrative ordinances, rowdyism, battery and assault, slander, swindling, etc.

The petitions for pardon were divided as follows according to the social status of the petitioners: workers—3,604 (9 per cent); peasants—19,120 (48.2 per cent); Red Army soldiers—2,072 (5.2 per cent); army officers—1,112 (2.8 per cent); office workers and clerks—6,509 (16.4 per cent); private business men and members of liberal professions—2,286 (5.8 per cent); and persons without definite occupation—4,920 (12.6 per cent).

The Presidium of the Central Executive Committee of the Soviet Union passed favorably upon 44.7 per cent of the petitions submitted.

The Presidium acts on the petitions very quickly, announcing its decision in each instance within a period of not more than two weeks. This avoids bureaucratic red tape and enables the people to apply directly to the highest State body.

Solovetsky Discontinued as Concentration Camp for Political Prisoners

During the month of June, at the recommendation of the United State Political Department, the Council of People's Commissars of the Soviet Union decreed that all members of anti-Soviet counter-revolutionary parties at present serving terms in Solovetsky Concentration Camp, which is located on an island in the White Sea, shall be transferred not later than August 1, 1925 to penal institutions on the mainland under the jurisdiction of the United State Political Department, and that henceforth all new convicts of this category shall be committed to mainland institutions.

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Agricultural and Industrial Concessions

Output Plan for State Industry in 1925-26

Art Industry in the Soviet Union

The Russian Academy of Sciences in 1924

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Soviet-American Trade for First Half of 1925

WITH the exception of certain shipments of Soviet manganese consigned directly to American firms, trade between the Soviet Union and the United States is conducted at present through the following five trading organizations, all located in New York: (1) the Amtorg Trading Corporation, which represents the larger Soviet syndicates and the State trading organs of the Constituent Republics; (2) the All-Russian Textile Syndicate; (3) the Allied American Corporation, also known as the "Alamerico"; (4) Centrosoyus, which acts as the trading office for the Soviet consumers' cooperatives; and (5) Selskosojus,

which is the trading organization of the Soviet agricultural cooperatives.

The following table, based upon a consolidated report compiled by the Amtorg Trading Corporation, shows the business done by the first four of the above-mentioned organizations during the initial half of the current calendar year. It will be observed that the figures include a statement of the aggregate volume of credits extended by American banks and business houses in connection with these transactions. It should also be noted that the table does not embrace unfilled orders for future shipment.

Goods Purchased in United States during First Half of 1925 for Export to Soviet Union

Commodity	Purchased by Individual Trading Organizations				Total
	Amtorg	A.-R. Textile Synd.	Centrosoyus	Alamerico	
Agricultural Machinery.....	\$ 3,872,758	—	—	—	\$ 3,872,758
Machines and Spare Parts.....	1,187,552	—	1,177	163,903	1,302,632
Leather.....	305,518	—	—	—	305,518
Chemicals and Pharmaceuticals.....	188,342	—	—	—	188,342
Rosin.....	105,868	—	16,526	—	122,394
Metals.....	805,516	—	—	—	805,516
Typewriters and Office Supplies.....	312,226	—	—	—	312,226
Oil-Well Supplies.....	689,970	—	—	—	689,970
Auto-Transport.....	623,977	—	—	5,384	629,361
Flour.....	17,822,395	—	—	—	17,822,395
Dredges.....	1,212,869	—	—	—	1,212,869
Cotton.....	—	26,479,500	—	—	26,479,500
Miscellaneous.....	77,188	—	15,704	1,397	94,289
Total.....	\$26,954,179	26,479,500	33,407	170,684	\$53,637,770
Shipped.....	\$25,926,956	26,479,500	33,407	170,684	\$52,610,547
Credits:					
From Banks.....					\$30,917,152
From Firms.....					3,773,081
Total Export Credits.....					\$34,690,233

Goods Imported from Soviet Union during First Half of 1925 for Sale in United States

Commodity	Imported by Individual Trading Organizations				Total
	Amtorg	A.-R. Textile Synd.	Centrosoyus	Alamerico	
Furs.....	\$1,894,928	—	1,907,137	28,948	\$3,831,013
Sheep Casings.....	361,148	—	—	349,380	710,528
Bristles.....	59,495	—	33,767	—	93,262
Caviar.....	66,875	—	102,124	—	168,999
Potassium.....	16,560	—	—	—	16,560
Licorice Root.....	248,569	—	896	—	249,465
Mushrooms.....	48,592	—	—	—	48,592
Lentils.....	11,787	—	—	—	11,787
Calfskins.....	9,721	—	—	—	9,721
Fibers (Flax and Hemp).....	—	—	252,862	—	252,862
Miscellaneous.....	31,085	—	19,201	5,289	55,575
Total.....	\$2,748,760	—	2,315,987	383,617	\$5,448,364
Credits:					
From Banks.....					\$2,062,550
From Own Sources.....					70,032
Total Import Credits.....					\$2,132,582

While the inclusion of the trade carried on through the Selskosojus during this period would somewhat enlarge the aggregate trade figure, it would effect no substantial change, so that these statistics afford an adequate basis for a correct estimation of the development of Soviet-American trade during 1925.

A comparison with Soviet-American trade figures for the corresponding six months of 1924 and with half of the Russian-American trade total for the pre-war year 1913, reveals that all records for commerce between the two countries have been broken during this semi-annual period. Taking the actual shipments from the United States to the Soviet Union, which are \$1,027,223 below the total export purchases during the six months, the turnover for the half year ending June 30, 1925, amounts to \$58,058,911, of which \$52,610,547 represent goods exported from the United States to the Soviet Union, while \$5,448,364 constitute merchandise imported from the Soviet Union to the United States. This turnover is about equal to the aggregate Soviet-American commerce for the full calendar year 1924 and is nearly two and a half times the semi-annual total for 1913.

Approximately 65 per cent of the purchases here for export to the Soviet Union were financed through credits of \$34,690,233 extended by American banks or individual business houses. In addition, import credits amounting to \$2,062,550 were granted by bankers here, bringing the aggregate credits accorded by American banking and commercial firms up to \$36,752,783. This shows material improvement in the Soviet credit situation over recent years.

Of the organizations engaged in this Soviet-American trade the Amtorg Trading Corporation played the largest role with an aggregate of \$29,702,939 in export purchases and import sales to its credit for the six-month period. The All-Russian Textile Syndicate stood second with a total business of \$26,479,500, representing purchases of American cotton for Soviet mills. Centrosoyus, the trading organ of the Soviet consumers' cooperatives, had a turnover of \$2,349,394; and the Allied American Company ("Alamerico") did a business of \$544,301.

Cotton led the list of individual commodity purchases with 175,498 bales valued at \$26,479,500 c.i.f. Murmansk, as compared with cotton purchases amounting to \$19,684,460 for the same half of last year. Purchases of machinery and supplies, apart from cotton, for the extension of Soviet industry and agriculture aggregated about \$9,000,000, including farming machinery worth \$3,672,758, general industrial machinery and parts worth \$1,802,632, dredges worth \$1,212,869, metals worth \$805,516, oil-well supplies worth \$689,970, automobiles and trucks worth \$629,361, with smaller purchases of office supplies, leather, etc. Due to last year's poor harvest the purchases included \$17,822,395 worth of flour.

Furs valued at \$3,831,013 led on the list of Soviet commodities imported for sale in the United States, followed by sheep casings worth \$710,528, fibers (flax and hemp) worth \$252,862, licorice root worth \$249,465, and caviar worth \$168,999.

In commenting on the figures, Mr. Isaiah J. Hoorgin, Chairman of the Amtorg Trading Corporation, said:

"Both purchases and sales showed a much better distribution this year than hitherto. Last year cotton purchases were 75 per cent of all purchases, while this year, though larger in volume, they are only 50 per cent. Last year furs represented 95 per cent of the sales, this year they are only 60 per cent.

"Up to this year Soviet purchases of industrial machinery here represented almost exclusively replacement machinery and parts. This year the purchases are mostly of basic machinery. This change is significant of the rapid expansion of Soviet industry, which includes the building of many new factories in the textile, electrical, metallurgical and other lines.

"The excellent crops in the Soviet Union this year will make unnecessary further purchases of flour in the United States, but will not diminish the volume of trade, for more money will thus be available for the purchase of machinery, especially because of the impending heavy exports of Soviet grain. Though the cotton acreage in the Soviet Union has increased 38 per cent this year over 1924, the expansion of the textile industry is so rapid that I look for no diminution of the cotton purchases here."

Soviet Foreign Trade in May

During May the foreign trade turnover of the Soviet Union on the European frontiers passed the \$50,000,000 mark for the first time during any single month since the close of the war, according to customs figures recently issued.

The turnover for May was \$65,000,000, of which \$19,800,000 represented exports and \$45,200,000 imports. The figures are for the European frontiers only. The unfavorable trade balance has now continued for four months, due to the cessation of grain exports.

Furs valued at \$5,070,000 led the export list, followed by petroleum products worth \$4,827,000. The imports included cotton worth \$10,400,000, machinery worth \$3,330,000, chemicals and chemical products worth \$2,481,000. The imports of grain and flour, necessitated by last year's bad harvest, continued during the month. Their value was \$12,852,000.

Soviet Flax Exports

Since the current fiscal year began on October 1, 1924, flax exports from the Northwestern Region of the Soviet Union to England, Belgium, and Esthonia have totaled 2,390 tons and hemp exports 155 tons with a combined value of over 2,500,000 gold rubles.

Foreign Trade Totals for Past Three Fiscal Years

The Soviet Union's foreign trade turnover (exports and imports) has developed as follows during the past three fiscal years: in 1922-23 it amounted to 387,000,000 gold rubles; in 1923-24 it rose to 961,000,000 gold rubles; and for the present fiscal year 1924-25, ending October 1, 1925, it is estimated to reach between 1,100,000,000 and 1,178,000,000 gold rubles. The State capital invested in all the organizations of the Foreign Trade Commissariat aggregates 100,000,000 gold rubles.

Soviet Petroleum Exports in May

Apart from shipments to Persia and the Far East, the Soviet Union's petroleum exports for the month of May totaled 167,000 tons, an advance of 30 per cent over April. The approach of summer brought a special increase in seasonal shipments of benzine. England took the major part of the petroleum exports—about 60,000 tons. Italy stood next with over 20,000 tons, followed by Egypt with 18,000 tons.

Soviet Agricultural Machines Exported to the East

The Agricultural Machine Syndicate (the "Sel-mashsyndikat") has begun to export farming machinery to the East. Early in July the Syndicate shipped to Persia 100 threshers, 50 conveying belts, 10 straw cutters, and 2 millet hullers. At the same time 75 reapers were forwarded to Turkey against an order placed with the Ukrainian Agricultural Machine Trust. A machine outfit for a butter dairy was also sent to China in fulfillment of a trial order. All these machines were turned out by the "Communard" works in the Ukraine.

Soviet Matches Win Foreign Favor

Early in July upon receipt of the first lot of matches forwarded by the Soviet Match Trust the Greek Government commented upon their excellent quality, which fully met the requirements of the State match monopoly in Greece.

On about the same date the Northwestern Match Trust received an order from Portugal.

Larger Soviet Purchases in Italy

Italian newspaper reports state that the purchases recently made in Italy by the Soviet Union surpass the annual average of Italy's exports to Russia before the war.

Imports of Paper Products

Paper and cardboard imports by the Soviet Union from October 1, 1924, to April 1, 1925, the first half of the current fiscal year, amounted to 46,897 tons worth \$4,450,000, together with 38,084 tons of wood pulp and 737 tons of rags valued at \$2,033,000, representing large increases over the totals of 20,343 tons of paper and cardboard and 8,727 tons of wood pulp for the same half of the previous fiscal year.

Financial Situation of the Soviet Union

AT THE concluding plenary conference of the People's Commissariat for Finances of the Soviet Union on July 1, Mr. G. Y. Sokolnikov, head of the Commissariat, made the following detailed statement concerning the Federal budget which had just been drawn up for the forthcoming fiscal year.

Mr. Sokolnikov began by pointing out that this preliminary budget is to be recommended to the Council of People's Commissars as a basis for budget construction in the People's Commissariats and the individual Constituent Republics. The budget total is provisionally set at 3,560,000,000 gold rubles. For accurate comparison with the preceding year's budget total this figure must be reduced by 230,000,000 gold rubles to allow for the proportion of Federal tax and revenue receipts to be withheld for local administrative purposes, since, contrary to the case with last year's budget, these allowances have not already been deducted in arriving at the budget aggregate in the present instance. With this allowance the preliminary budget total entails an increase of almost 900,000 gold rubles over the previous year's aggregate, thus rendering it possible to meet a number of needs not included in last year's budget. The revenue section of the provisional budget calls for 568,000,000 gold rubles to be derived from direct taxes, 870,000,000 gold rubles from indirect taxes, 130,000,000 gold rubles from duties, and 1,748,000,000 gold rubles from sources other than taxes, the latter including 1,250,000,000 gold rubles to be derived from transportation. The budget also provides for revenues of 143,000,000 gold rubles from extraordinary income sources, such as the sale of State property, credit operations, and the coinage of silver and copper currency.

Highly illustrative of the character of the expenditure items of the projected Federal budget is the increase of the allotments granted to the local budgets. The latter are to receive 300,000,000 gold rubles from the Federal budget in the shape of outright grants. Among the appropriations for the People's Commissariats increased disbursements have been allowed for national defense and agriculture; employees' wages have also been raised somewhat, although there is no tendency to place Soviet departmental workers in a privileged position. Their financial status can improve materially only with the consolidation of the country's financial situation.

First place among the extraordinary expenditures is held by agriculture, for the financing of which 140,000,000 gold rubles will be appropriated. Industry will require the disbursement of 85,000,000 gold rubles, electrification and municipal credits 60,000,000 gold rubles, public works 10,000,000

gold rubles, and cooperative organizations 25,000,000 gold rubles.

As a result the proposed budget for the forthcoming fiscal year covers the country's requirements in larger measure than that of the preceding year, but, of course, not to the full extent. Industry will secure long-term credits through the 300,000,000 gold ruble loan which is about to be floated. This amount will be distributed as follows: 25,000,000 gold rubles to agricultural credit societies; 25,000,000 gold rubles to agricultural cooperatives and credit cooperatives; 75,000,000 gold rubles to enterprises connected with agriculture; 50,000,000 gold rubles to storage and refrigerating establishments connected with the railroads; 25,000,000 gold rubles to housing and municipal utilities; 50,000,000 gold rubles to the metal mining, smelting and manufacturing industries; 25,000,000 gold rubles to the fuel industry; and 25,000,000 gold rubles to other industrial branches.

Mr. Sokolnikov then touched upon the question of the payment of debts in the absence of foreign credits. M. Herriot, the former French Premier, had placed the total of Russia's pre-war debts at 17,000,000,000 francs, but the Soviet commission of statistical experts has determined that those debts constitute only 9,000,000,000 francs. While the Soviet Union has annulled the war debts, it will continue to seek a solution of this question satisfactory to both parties. The Soviet Union is prepared to assume and fulfill definite obligations, but only on condition that they be within its capacity and that the agreement afford the country commensurate benefits.

The Commissar for Finances went on to say that the country's improved international position is connected with certain changes in its domestic policy. Slow but steady progress is being made toward the reduction of tax burdens. In the budget for the forthcoming fiscal year the indirect taxes predominate over the direct taxes. It will be the task of the future to see to it that the proportion of direct taxation does not fall below the level of two-fifths at which it now stands.

In discussing the gold reserve behind the Soviet Union's currency, Mr. Sokolnikov stated that gold chervontsy are being coined to serve for the adjustment of international balances with the eastern countries of China, Persia, and Afghanistan.

Referring further on in his speech to the progress of the peasantry's economic life, the Commissar for Finances emphasized the fact that henceforth the income derived from the agricultural tax will remain in considerable measure at the disposal of the rural localities. The prevailing point of view is that the utilization of these revenues must be effected along the line of an equitable division between city and country. It is not enough to say "Attention to the Village." This slogan must be given practical effect by increasing

the funds available for the township budgets and by transferring to the rural administrations a considerable volume of resources through the subsidy funds. It will not do to issue orders to the peasants from the capital city of the province even with the best of intentions. It is necessary to give the local authorities an opportunity to draw the peasants themselves into the effort of local reconstruction. It is now indispensable to make earnest provision of funds for the township budgets and to make it possible for the local bodies to develop initiative in administering their own communities. There is no doubt that this development of independent activity will lead to the improvement of township finances.

Agricultural Progress

LATEST reports of the grain crops of the Soviet Union, giving conditions up to July 11, confirm the predictions of a large harvest. On the basis of the Russian "five-point" system (the figure 5 representing the maximum crop) the general average of grains this year is expected to be 3.3, as compared with 2.5 in 1924. Rye is placed at 3.2 as against 2.7 last year, oats at 3.3 as against 2.5, wheat at 3.5 as against 2.2, and millet 2.9 as against 2.1. It is expected that the total grain crop will amount to 3,650,000,000 poods.

Reports show large increases in the acreage of the so-called technical crops this year. Cotton sowings, according to early bulletins, cover 1,638,900 acres, an increase of 38 per cent over 1924, and equivalent to 77 per cent of 1915, the record year for cotton plantings. The flax area is 2,745,900 acres, an increase of 20 per cent over 1924, and the hemp area is 1,323,800 acres, in the area of industrial hemp cultivation, an increase of 14 per cent above 1924.

The textile industry anticipates a yield of 198,000 tons of cotton fibre. The gross crop of hemp is estimated at upwards of 210,000 tons.

Fund of 77,000,000 Gold Rubles to Fight Droughts

In order to wage a systematic struggle against recurrent droughts and to build up a sturdy agricultural economy in the country's arid regions, the Presidium of the Central Executive Committee of the Soviet Union has decided to create a "Special Fund for Fighting Droughts" in the amount of 77,000,000 gold rubles, to be raised within the next three fiscal years by annual budget appropriations, as follows: 20,000,000 gold rubles in 1925-26; 26,000,000 gold rubles in 1926-27; and 31,000,000 gold rubles in 1927-28.

The resources in this fund will be employed in the form of long-term credits to finance special alterations in the farming system in connection with the transition to more effective forms of tillage; for general improvements; for technical measures to improve the soil and establish sufficient fodder fields to assure a steady fodder supply, thus rendering possible the development of

profitable live-stock raising; for the acquisition and replenishment of farming equipment and for measures leading to the more efficient utilization of such equipment; and for the repair and equipment of local plants to handle the products of grain farming, live-stock raising, and truck gardening.

The loans provided by the fund will be granted to the various types of agricultural associations, as well as to the local Soviets, on condition that these bodies contribute a fixed share to the resources required for the measures financed through the special fund.

In addition to authorizing the appropriation of resources for this special fund, the Presidium of the Central Executive Committee decided that it was necessary to make provision for the employment of technologists and the conduct of experimental work in conjunction with the projected measures for combatting droughts. These appropriations are to be made through the budgets of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) and the Ukrainian Socialist Soviet Republic during the next two fiscal years and their combined annual aggregate is to be not more than 2,000,000 gold rubles for the two Republics.

Placing Soviet Agriculture on a Tractor Basis

According to bulletins of the Soviet Commissariat of Agriculture and of the Soviet metal industry, the supply of tractors available for the farmers will be more than doubled this year. The number of tractors imported up to May 1 was 1,828. For the fall sowing campaign 3,150 more will be imported and placed at the disposal of peasants in the middle and lower Volga regions, the Northern Caucasus and the Ukraine. The imports will include 2,400 tractors of the Fordson type, 500 oil-driven tractors, 150 of the International type. With the tractors will be imported 3,150 tractor plows, 300 disc harrows, 100 disc sowers, and material for 20 complete tractor repair shops. The value of the importations will be \$2,930,000. About 5,000 tractors took part in the spring plowing campaign this year.

Purchase 3,000 Tractors for Ukrainian Peasants

According to early July advices from Kharkov, the tractors purchased by the Foreign Trade Bureau of the Ukrainian Soviet Republic during the current year for resale to the peasants will total 3,000. Of this number 1,500 have already been ordered and delivered, and agents have been dispatched abroad to purchase another thousand. Shortly after this the Bureau is to send its representatives to take possession of 500 tractors previously ordered and now ready for shipment to the Ukraine. These 3,000 tractors are being sold to the peasants on easy credit terms extending over a period of three harvests.

Soviet Concession Agreements

A RECENT TABULATION showed that 34.6 per cent of the foreigners applying for concessions in the Soviet Union were Germans, 11.9 per cent British, about 10 per cent Americans, 8.1 per cent French, 3 per cent Italian, and 2.6 per cent Dutch.

Altogether, 1,286 concession applications have been filed since 1921, almost half of them (607) having been submitted during 1923, when the new economic policy underwent a rapid development.

The concessions granted number 66, of which 8 pertain to mining enterprises, 14 to manufacturing, 6 to timber, 7 to agriculture, 19 to trade, and 12 to transportation and miscellaneous branches.

Almost 25 per cent of the concessions are held by Germans, 17.5 per cent by Englishmen, and 12.1 per cent by Americans.

The holders of the 66 concessions in question were required to put a total of 55,000,000 gold rubles into the enterprises, 32,000,000 gold rubles of this aggregate having already been invested up to the time of writing. The fact that about 70 per cent of the latter sum has been invested in trading and timber concessions shows that foreigners favor enterprises with a rapid capital turnover.

During the previous fiscal year ending October 1, 1924, the Soviet Government derived a net revenue of 14,000,000 gold rubles from these concessions, 10,000,000 gold rubles of this total coming from mixed companies, i. e., those with joint participation of Soviet and foreign capital. All the concession enterprises together employ a labor force of 20,000 men.

The mixed trading companies and the industrial and transportation concessions have thus far yielded the largest profits to foreign holders.

Concessions in the Far-Eastern Region

During the month of June the Chief Concessions Committee laid down the following procedure for awarding concessions in the Far-Eastern Region.

All concession applications must be submitted to the Far-Eastern Concessions Committee. This body makes a preliminary investigation and examines the projected agreement, which is subsequently presented to the Chief Concessions Committee and the Council of People's Commissars.

Whenever applications for concessions in the Far-Eastern Region are addressed directly to the Chief Concessions Committee, the latter usually refers them to the Far-Eastern Concessions Committee for consideration and report.

Up to June, 1925, the following six Far-Eastern concessions had been confirmed by the Council of People's Commissars upon presentation by the Far-Eastern Concessions Committee:

1. A whaling and whale product concession granted to the Norwegian citizen Kristensen;
2. A gold-mining concession granted to the Finnish citizen Koivisto;
3. A tobacco product concession granted to a British firm, the Lopato Joint-Stock Company;
4. The recent concession for the exploration and exploitation of the gold-bearing districts in the Okhotsk region, granted to the Ayan Corporation, a British company.
5. A concession for the exploitation of silver-zinc ores, granted to the Briner firm;
6. A gold-mining concession granted to the American citizen Vint.

At present the Far-Eastern Concession Committee is considering a number of applications concerning concessions for the exploitation of gold, silver and lead deposits.

The ratification of the Soviet-Japanese agreement was followed by a flood of concession applications by Japanese industrialists for the exploitation of timber resources, the construction of factories for making cellulose products, and the cultivation of rice plantations.

Concession Negotiations with Japanese Industrialists

The conclusion of concession agreements with the Lena Goldfields Company and the Ayan Corporation roused Japanese industrial circles to intensified interest in Soviet concessions. Shortly afterward representatives of Japanese gold-mining organizations were arriving daily at Khabarovsk, the capital of the Far-Eastern Region, to negotiate for concessions. Among the important proposals may be mentioned one made by the gold mine operator Tayata Motaro for the exploitation of the gold fields in the Okhotsk region. Some Japanese industrialists have also applied for a concession covering the purchase of furs along the entire Maritime Province coast.

Siberian Timber Concessions

During the early part of June the Supreme Council of National Economy of Soviet Russia decided that it would be expedient to resort to concession agreements for the exploitation of Siberia's forest resources. This question was to be laid before the Chief Concessions Committee for deliberation.

At the same time the Supreme Council of Economy of the R. S. F. S. R. (Soviet Russia proper, with which the various divisions of Siberia are administratively connected) expressed itself in favor of applying reduced rail and water transportation rates to timber shipments in Siberia, and of lowering the stump tax imposed upon the timber trusts.

Gold-Mining Concession

In July the Federal Council of People's Commissars approved a projected concession agreement with the Company "T. Stolzenberg and N. Yakovlev's Heirs" for the right to exploit the "Berekul"

gold mine, located in Mariinsk County of Tomsk Province. The concession agreement is valid for 12 years and stipulates a minimum output of 5 poods of pure gold for each of the first two years, 6 poods for each of the third, fourth, and fifth years, and 8 poods for each subsequent year.

Ukrainian Agricultural Concession

During the course of June the Council of People's Commissars of the Soviet Union confirmed a project submitted by the Chief Concessions Committee covering a concession agreement with the Dutch Agricultural Syndicate for the exploitation of 1,200 dessiatins of land in the Molchansk sub-district of the Melitopol district in Ekaterinoslav Province, Ukrainian Soviet Republic.

The method of cultivation adopted by the concessionary organization is subject to approval by the People's Commissariat for Agriculture of the Ukrainian Soviet Republic. The Dutch Agricultural Syndicate must expend not less than 150,000 gold rubles in developing the concession and must turn over to the Government 25 per cent of the gross yield of the enterprise, delivery to be made f.o.b. railroad cars or steamer in packing suitable for export. The concession term is 12 years.

The concessionary firm is exempted from the payment of the single agricultural tax except for the part devoted to local needs.

The annual accounts of the enterprise are to be submitted to the Government not later than three months after the termination of the fiscal period.

The concession holders are bound to comply with all decrees and ordinances concerning the employment of workers and clerks, labor protection and social insurance.

During the first year of the concession term the operating firm has the privilege of importing duty-free any equipment required by the enterprise.

The highways and linking village roads in the concession area stay open to public traffic.

At the expiration of the concession period the holding firm must turn the entire enterprise over to the Government without compensation, in perfect order and operating condition.

Disputes between the Government and the concessionary firm are to be settled by a court of arbitration to be established for this purpose in Kharkov. In case the two parties cannot agree upon the choice of an umpire, he is to be appointed by the All-Ukrainian Academy of Sciences.

Fire-Extinguisher Concession

During July confirmation was also extended to a proposed concession agreement with a Lithuania citizen, Mr. Borunsky, for the privilege of producing and selling fire-extinguishers and apparatus for the destruction of agricultural pests. For the purposes of the concession Mr. Borunsky is accorded the right to use his former factory in Moscow for a period of ten years. He is to re-equip the plant to bring its yearly output up to 36,000 units.

Bacon Concession

Early in July the Federal Council of People's Commissars approved a proposed concession agreement with Truss & Company, a British firm, for financing the manufacture of bacon. The agreement binds the British company to supply the Union of Agricultural Cooperatives (the "Selskosoyuz") with credits for the equipment of two bacon producing factories, each of them with a capacity of 1,000 hogs a week, and also for the purchase of sufficient live hogs to meet the requirements of these plants. The output of the two bacon factories is to be sold exclusively on the British market by Truss & Company in collaboration with the Union of Agricultural Cooperatives. The agreement runs for a term of three years.

Agricultural Offal Concession

One of the concession agreements confirmed by the Federal Council of Commissars during the month of July was granted to a German citizen by the name of Resch and gives him the right to collect and export offal of agriculture and agricultural industries. The products in question include horns, hoofs, bones, dried blood, cat and dog skins, cow's hair, etc. In addition to this, but subject to special permit in each instance, Mr. Resch is accorded the privilege of purchasing for export live hogs, cattle, live and slaughtered sheep, fowl, dried and fresh fruits, and also cheese products. The agreement runs for three years. The aggregate value of agricultural offal exported must be not less than 300,000 gold rubles for the first year and not less than 500,000 gold rubles for each of the succeeding two years.

Lead Goods Manufacturing Concession

Toward the close of June the Council of People's Commissars of the Soviet Union confirmed the draft submitted by the Chief Concessions Committee covering a concession agreement with Mr. Reisser, a Latvian citizen, for the manufacture of lead and zinc goods.

The concession agreement covers a period of 20 years. The "Diana" Zinc-Rolling Mill in Moscow is placed at the disposal of the concessionary to manufacture the zinc goods in question, but he is obliged to enlarge the plant and supplement its equipment so as to make it possible to fulfill the prescribed production program. The holder of the concession must pay the Government 4 per cent of the annual business turnover of the enterprise, in addition to stipulated amounts for the use of structures and equipment and all the taxes and dues assessable under the existing laws. The concessionary agrees to comply with legislation concerning labor and social insurance.

Trotsky Heads Chief Concessions Committee

Mr. L. Trotsky was appointed Chairman of the Chief Concessions Committee on May 26 and took up his new duties in July.

Output Plan for State Industry in 1925-26

Late in July the Organizing Division of the Chief Economic Department connected with the Supreme Council of National Economy completed the elaboration of tentative figures covering the production program for Soviet state industries in the fiscal year 1925-26, beginning October 1, 1925. The figures for the separate industrial branches will be submitted for final confirmation to the Industrial Planning Commission of the Supreme Council of National Economy.

According to these preliminary data the value of the State industrial output for the fiscal year 1925-26 will total 4,269,500,000 gold rubles, as compared with 3,057,000,000 gold rubles for the fiscal year 1924-25, representing an increase of approximately 40 per cent.

The value of the industrial output is calculated on the basis of factory selling prices fixed by the trusts for the fiscal year 1925-26. The amount above given does not include the output of the State fishing and military industries. The inclusion of these would bring the aggregate for 1925-26 up to 4,750,000,000 gold rubles.

The industrial expansion in 1923-24 and 1924-25, the larger utilization of available stocks of equipment during those years, and the small reserves of basic industrial apparatus now on hand naturally make it imperative that, as compared with the previous year, the branches turning out production goods be extended faster than those manufacturing consumption goods. Thus, the cotton spinning industry will be enlarged 37 per cent, the metal industry 50 per cent, the electrical industry 73 per cent, the cement industry 54 per cent, and the leather industry 33 per cent.

Accordingly, while the forthcoming fiscal year will witness an increase in the merchandise value contributed to the country's total by branches turning out production goods, it will show a further decrease in the comparative role of the industrial branches producing consumption goods. For example, the textile industry, which accounted for 38 per cent of the total value of the output of the State industries in 1923-24, will furnish only 30 per cent of the total in 1925-26. On the other hand, the metal industry will raise its share of the aggregate value of the industrial output up to 30 per cent from its former contributions of 18 per cent in 1924-25 and 12 per cent in 1923-24.

In comparing the tentative program for 1925-26 with the situation before the war, the Organizing Division observes that the cotton industry will attain 95 per cent of its pre-war volume, while the electrical industry will surpass its pre-war status by 73 per cent, the paper industry by 20 per cent, and the leather industry by 2 per cent.

Upon confronting the proposed industrial output with the market demand forecast for the fiscal year 1925-26, the Organizing Division comes to the conclusion that there will be a considerable shortage of industrial goods. Thus, the People's Commissariat for Domestic Trade of the Soviet Union has estimated that the demand for the ten leading staple industrial commodities, including cotton fabrics, metals, agricultural machines, leather, sugar, kerosene, salt, and some others, will constitute 3,668,000,000 gold rubles during 1925-26. The Supreme Council of National Economy, while accepting this estimate as a whole, does not concur in the individual figures for cotton goods, agricultural machines, and salt, as it considers that the Commissariat for Domestic Trade has overestimated the prospective demand for these articles.

The total in the 1925-26 production program for the above category at manufacturers' selling prices is 2,581,500,000 gold rubles, which, with the addition of intermediate trading margins, makes an aggregate of 3,451,800,000 gold rubles. Therefore, there will be a market shortage of about 216,000,000 gold rubles with respect to retail prices and about 162,000,000 gold rubles with respect to valuation based on factory selling prices.

The anticipation of this inability to meet the market demand in full brings up the question of importing certain quantities of cotton fabrics, sugar, and agricultural machines.

Soviet Oil Industry

THE oil industry of the Soviet Union is now running at close to 80 per cent of the pre-war volume of production. Exports this year will be materially greater than in 1913. During the first half of the current Soviet fiscal year (October 1, 1924 to April 1, 1925), the exports were 554,000 tons, nearly double the exports during the same period of 1923-24. The exports during the full year of 1913 were 914,032 tons.

The comparatively large exports are made possible by the decrease in home consumption as compared with pre-war. The decrease is the result of loss of population to Poland and the border States. The present population of the Soviet Union is 75 per cent of that of the old Russian Empire.

The increase in production during the past few years is shown in the following table:

Year	Tons
Calendar year 1913.....	9,215,911
Calendar year 1920.....	3,893,000
Fiscal year 1922-23.....	5,275,430
Fiscal year 1923-24.....	6,067,921
Fiscal half-year 1924-25.....	3,291,414

The program for the present fiscal year calls for production of 6,800,000 tons (about 50,000,000 barrels), which will probably be exceeded. The five-year plan for the industry contemplates a production of 17,000,000 tons (about 125,500,000 barrels) in 1930, of which half will be exported.

The Russian oil fields suffered greatly during the world war and the civil conflicts. Much property was destroyed and many operatives killed. When the fields were nationalized in 1920 they were in a sorry state of dilapidation. Much of the remaining equipment was obsolete.

Russia had led the world in petroleum production from 1898 to 1901, but in 1902 the rise of the American industry put Russia in second place and in 1918 it was passed by Mexico. The industry had been developed largely through foreign capital. Nobel Brothers were pioneers in the Baku fields, and the Rothschilds entered in 1883. After 1900 the industry showed a decline, due to the inefficiency of the Tsarist Government. Taxes at one time were as high as 35 per cent. The practice of bestowing rich oil lands on court favorites did not promote productivity.

During the first years under the new regime (beginning with 1920, after the close of the civil wars) much reconstruction was necessary. New machinery had to be imported. Much rebuilding was necessary. The oil industry had to draw heavily for funds on a State treasury struggling with an inflated currency. Despite the handicaps, much progress has been made in electrification. In the Baku fields alone 80 miles of light railways were built up to the close of last year. Great improvements in the economics of the industry have been effected under the centralized plan. During 1924 alone \$1,000,000 worth of well-drilling machinery was imported from the United States. The restoration of the currency to a gold basis in the spring of 1924 assisted materially in rehabilitating the industry by facilitating credits.

A new pipe-line is now being built from Baku to the Black Sea port of Batum. Plans have been drawn for a pipe-line between the Grozny fields and the port of Tuapse.

Despite the large sums expended for permanent improvements and extensions in the industry, the oil industry began to be self-supporting by the beginning of 1924. The report for the fiscal year 1923-24 showed a net profit of \$1,581,000 after deductions for interest adjustments, bad debts, leakage, and nearly \$1,000,000 for reserve against bad debts.

Drillings of new wells in the Soviet oil fields during the last Soviet fiscal year amounted to 401,639 feet, an increase of 78.6 per cent over the year 1922-23, and about 75 per cent of the figures for 1913. The indications are that the 1913 figures will be passed this year. In May the drillings in the Baku fields alone were 38,507 feet, passing all pre-war records for a single month.

The Soviet oil industry has been developed wholly by Russian experts and technicians. G. I. Lomov is President of the Oil Syndicate. A. P. Serebrovsky, head of Azneft, the Syndicate in Azerbaijan, including the Baku fields, visited the United States last fall and placed an initial order for a million dollars' worth of machinery.

Soviet Aviation

THE Soviet Volunteer Air Fleet, organized on the initiative of Trotzky in 1923, is rapidly extending passenger airplane service between strategic commercial points in the Soviet Union.

One air line operates between Moscow, Nijni-Novgorod and Kazan, 570 miles, another between Moscow and Leningrad, 390 miles, and another between towns in the Crimea. Three lines that now maintain regular communication between points on the Trans-Siberian Railway and remote republics in Central Asia carried 558 passengers during the first five months of this year, and the total air mileage was 84,686.

Preparations are being made for the opening of a new Yakutsk-Irkutsk air line in Siberia, 1770 miles, which will connect the Lena and Aldan gold fields with the Siberian railway at Irkutsk.

The airplanes used are constructed in the Soviet Union, with foreign motors.

The Volunteer Fleet has started a vigorous offensive against agricultural pests in the Soviet Union. Detachments of planes spray the insects with poison in infested districts. Recently one detachment cleaned up a plague of locusts in the valley of the river Kuma, in the Caucasus.

The recent successful airplane flight from Moscow to Peking was made by planes of the Volunteer Fleet.

"Deruluft" Lowers Airplane Transportation Rates

Around June 15 the Russo-German Aerial Transportation Company (the "Deruluft") announced considerable reductions in its rates.

The price of a one-way flight between Moscow and London or Moscow and Paris for one passenger with 20 kilograms of hand luggage is now \$115, as against \$136 during the previous year; between Moscow and Amsterdam—\$98; between Moscow and Berlin—\$65; between Moscow and Koenigsberg—\$50; between Moscow and Kovno—\$40, as compared with \$55 last year; and between Moscow and Smolensk—\$15, as against \$25 the preceding year.

The baggage freight rates have also been lowered. The charge for aerial freight transportation between Moscow and Koenigsberg is 1.25 rubles per kilogram, as compared with 5 rubles during the foregoing year; between Moscow and Kovno—1 ruble, as against 4 rubles the previous year; and between Moscow and Smolensk—0.5 ruble, as compared with 2 rubles per kilogram last year.

Kharkov-Odessa Airplane Service

On June 25 the first passenger airplane of the Odessa-Kharkov line arrived at Kharkov, thus opening the regular aerial passenger service between these two cities.

Soviet Workers Donate Airplanes to Red Army

On May 17, 1925, a squadron of 31 airplanes built with funds contributed by rail and water transport workers was formally turned over to

the Red Army air fleet at the Central Aerodrome in Moscow.

Project for Transarctic Airplane Line

Toward the end of June the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) named a commission to study a project recommended by Nansen for the organization of an aerial expedition to explore the Arctic regions and lay the foundations for permanent aerial transport connections between Europe and the countries of the Pacific via the northern stretches of the Soviet Union. This commission decided that it was desirable to consider the project further in collaboration with Nansen and Bruns, a German air pilot, who has drawn up the plans.

In an interview with the press, Mr. Gorbunov, the Chairman of the commission, furnished some details of the project and stated that it was the general aim of the commission to solve the problems connected with Transarctic aerial navigation. At the present time several nations are keenly interested in the question of Transarctic flying.

The plan presented by Bruns calls for the establishment of a Transarctic air route from Leningrad to Japan by way of Archangel, the estuary of the Pechora River, Kara Straits, the estuary of the Lena River, the mouth of the Kolyma River, Bering Straits, and Point Barrow in Alaska. According to his calculations a trip from Amsterdam to Yokohama by the usual channels of communication now takes 30 days. Via the Transarctic air route this journey would occupy 7½ days altogether, reducing the time to one-quarter, with only a 50 per cent increase in expenses.

A trial flight is planned for 1927 over a course passing through Murmansk, Franz-Josef Land, the North Pole, Point Barrow, and back over the unexplored reaches of the Arctic Ocean. This round trip would require not more than 14 days. To carry out the project it will be necessary to construct a special dirigible with a volume of 100,000 cubic meters, a length of about 245 meters, and a height of about 40 meters. The net lifting capacity of such an airship will be approximately 110,000 kilograms, of which 60,000 will be made up of cargo needed for the vessel, the crew and the passengers, while 50,000 kilograms will remain available for the transportation of supplementary freight.

In view of the vast northern areas included in the Soviet Union, flying in the Polar and semi-Polar regions possesses the utmost importance for the country's development. Not only will a practical system of Transarctic aerial transportation effect a great reduction in traveling time, but it will also make it possible to survey the immense resources of the Soviet Union's northern territories and establish efficient connections with remote areas which have hitherto been very difficult to reach.

Foreign Relations of the U. S. S. R.

Krassin on Soviet-Japanese Economic Relations

ON JULY 1, Mr. L. B. Krassin, People's Commissar for Foreign Trade of the Soviet Union, gave the following interview to a special correspondent of the Japanese newspapers "Osaka Manichi" and the "Nichi-Nichi" of Tokyo:

It is with great pleasure that I answer the questions you ask me, all the more so because this is the first interview I have had occasion to give to a representative of the Japanese press since the conclusion of an agreement restored friendly relations between Japan and the Soviet Union.

You inquire whether the Soviet Union intends to initiate commercial relations with Japan by establishing a special trading corporation similar to the Arcos organization in England. It must be pointed out that Arcos Limited of England was founded back in 1920, at a time when there were no formal relations between the two countries, and even a commercial agreement had not been concluded as yet. Under these circumstances the Soviet Union was constrained to seek for its trading organization a form which permitted the inauguration of business operations without awaiting the establishment of formal relations between the two nations.

The Soviet Union is resuming trade with Japan under much more normal conditions, since the conclusion of an agreement with Japan furnishes an absolutely sound diplomatic and juridical basis for economic and commercial relations. Accordingly, in setting up the Soviet Union's trading apparatus in Japan it is planned to avoid the limitations involved in the formation of trading companies of one type or another, and to take full advantage of the foreign trade experience acquired during the past few years.

This experience leads us to the conclusion that it is indispensable, first of all, to create a Soviet Trading Delegation which, as in other cases, shall not only be the supervising and controlling center of all trade relations with the country in question, but shall also transact the major portion of the foreign trade operations.

The fears that the Soviet Union's foreign trade monopoly and its practice of limiting imports might prove a hindrance to the development of economic connections between the two countries and, in particular, an obstacle to the development of concessions and the organization of various industrial enterprises in Siberia, are undoubtedly based upon misunderstandings.

The necessity of a very stringent restriction of imports occasionally arises not only in the Soviet Union, but also in many other countries, when circumstances render it imperative to assure a favorable balance of trade. The difference resides in the fact that under the system prevailing in other countries the minister of commerce and industry has only a very remote possibility of

influencing the expansion of exports and the curtailment of imports, whereas in the Soviet Union, whose economic life is regulated in a systematic way, the control in question is exercised by the People's Commissariat for Foreign Trade without any difficulty whatsoever.

However, the restriction of imports is not at all due to the foreign trade monopoly, but to the exigency of insuring a favorable balance of trade, which in its turn is needed to maintain the advantages of the monetary reform so successfully carried out thus far. Other export and import restrictions instituted by the People's Commissariat for Foreign Trade are either necessary to guarantee the country's food supply or they are applied in the interest of industry for security of raw material supplies or for protection against excessive competition by foreign industries. In these instances, too, it is not the foreign trade monopoly that is the cause of the trade restrictions, but, on the contrary, the foreign trade monopoly itself and the People's Commissariat for Foreign Trade are only instruments for carrying out the economic policy of the Soviet regime, which is guided in its turn by the interests of the workers and peasants.

The foreign trade monopoly and all the bodies connected with the People's Commissariat for Foreign Trade conform in every respect to the requirements of international commerce, and not once during the five years' existence of Soviet foreign trade has any phase of the operating activity of the Soviet Union's trade delegations encountered any difficulties in matters of principle or any contradictions with the usages and methods of other countries. In particular, in the credit field, in making payments for orders, in meeting obligations and likewise in settling various incidental bills for insurance, transportation, storage and other items, the Soviet methods of work are in complete harmony and do not conflict in any way with generally accepted business practices.

It goes without saying that the foreign trade monopoly does not and cannot serve as an impediment to the development of productive activity, in particular with regard to concessions and the leasing of enterprises and landed properties.

Japanese capital has a full and ample opportunity for employment in developing the natural wealth of Siberia and the Maritime Province. In this connection it is self-evident that in concluding the individual agreements the Soviet Government will endeavor not only to safeguard the general principles of sovereignty and systematic regulation of its national economy, but also to protect the various material interests of the country, something which, by the way, is done by every other national authority when concluding agreements.

Under normal conditions I look forward to a

very considerable success in this field of Soviet-Japanese activity and I believe that the development of productive enterprises on the basis of mixed companies (i. e., companies with the joint participation of Japanese and Soviet Capital) or in the form of concessions will prove an incomparably more important branch of work than the development of purely commercial relations.

It is far more important to create new commodities than it is to exchange or transfer those already in existence. The development of production is the foundation of national economy and international economic relations. Commerce is only an expression of the stage of productive development attained.

The Soviet Union will be in a position to enter effectively upon the practical inauguration of commercial relations with Japan only when Mr. Yanson, the Trade Delegate appointed to Tokyo, arrives in Japan and is established there under the same conditions as the Soviet Trade Delegates in Germany, Italy and other countries. In the near future, after his arrival in Japan and the preliminary study of the situation of Japanese industry and trade, Mr. Yanson will undoubtedly make a number of practical proposals for the organization of trade.

The greater part of the trading operations will have to be conducted through the Trade Delegation, but even from the very beginning of the latter's work the formation of mixed trading companies for separate branches of trade will not be precluded.

With reference to the participation of private business men in Soviet trade, generally speaking, the activity of private trading organizations is permitted only in exceptional individual cases, chiefly in connection with offers of credit. In any event, all the transactions must be carried on through the Trade Delegation, and the Soviet law prohibits direct connections between foreign merchants and the Soviet Union's domestic markets.

With regard to the possibility of attracting both Japanese and other foreign capital into concession enterprises by means of investments through Japanese banks, it seems to me that there will be no objections on the part of the Soviet Government against the allowance of such collaboration of Japanese capital with other foreign capital; and if the Japanese business men find it possible to draw any foreign capital into the exploitation of concessions in Siberia, they will not meet with any impediments thereto on the part of the Soviet Government.

The question of opening consulates and, in particular, the choice of the various points for the location of Soviet consuls can be settled only after the organization of the Soviet Trade Delegation in Tokyo.

As regards the project of founding a joint Japanese-Soviet Bank, the settlement of this question will become possible only after the Soviet Trade

Delegation has arrived in Tokyo, has acquainted itself with local conditions and prepared at least a first draft of a general export-import plan. In principle the formation of a mixed Soviet-Japanese bank is not precluded, but at this moment it is still premature to speak of its establishment.

In conclusion I desire to express my unbounded confidence that given a favorable attitude of the two Governments toward the development of economic and commercial relations, the differences existing in their respective economic systems will in no wise interfere with the normal development of trade and economic cooperation between the two nations in the sphere of productive expansion.

Japanese Ambassador on Soviet-Japanese Relations

On July 4, in the course of his journey to Moscow Mr. Tanaka, the newly appointed Japanese Ambassador to the Soviet Union, made the following statement to press representatives at Harbin:

I am going to Moscow with joy and hope, and the Japanese people look upon my journey with the utmost good will. Soviet-Japanese relations will progress day by day. This is not a compliment, but my sincere conviction. The Soviet Union and Japan have many mutual interests in the Far East, and we shall assist each other in commerce and industry to the advantage of both countries. Of course, much depends upon the governing circles in the Soviet Union and Japan. It will be my duty in Moscow to collaborate with the Soviet Government in a detailed study of the group of problems which were only touched upon in the Peking agreement. The Japanese Government will recommend to the Soviet Government a number of industrialists, who will themselves carry on negotiations concerning economic activities in the Russian Far East. Some of these industrial promoters, headed by Mr. Nakazako, are accompanying me, and another party will come later. Mr. Nakazako will conduct negotiations for the exploitation of the Sakhalin petroleum resources.

France and the Soviet Union

According to advices issued on August 3 by the Moscow office of the "TASS" service (Federal Soviet Telegraph Agency), M. Herbet, French Ambassador in Moscow, after consultation with his Government, officially informed the Commissariat for Foreign Affairs of the Soviet Union that certain recent radio reports from Paris about Franco-Soviet relations are without foundation. These reports asserted that the French Government intended to obtain clear evidence regarding the nature of the ties between the Soviet Government and the Third International before starting economic negotiations with the Soviet Union; and also that France, Great Britain, Belgium, Italy, and the Little Entente would hold a conference in September for the formation of an anti-Soviet bloc.

Cultural Life in the Soviet Union

Art Industry in the Soviet Union

By J. TUGENDHOLD

THE WESTERN WORLD is acquainted with Russian art, music and ballet, but it knows very little of Russia's art industry, particularly of the post-Revolutionary period. For instance, French acquaintance with Russian art industry, properly speaking, is limited to the doubtful bric-a-brac displayed on the Grands Boulevards and alleged to be the work of Russian "craftsmen." Nevertheless, in spite of all the severe trials of war, revolution, famine and blockade, Russia has maintained an art industry that is extremely varied in its branches and peculiar in its form. It is true that it does not turn out products for the salons of the rich, and it is doubtlessly inferior to the art production of Western Europe in luxury and technical progress. This is due, first, to the fact that in Russia, which is a peasant country par excellence, the industrialization of the art crafts has not been carried out on such a large scale as in the West, and second, to the fact that the social character of the Russian consumer is far more democratic than in the West. But, perhaps, these very conditions account for the superior originality, freshness and variety of the Russian art industry, and for the great social problems with which it is confronted.

The fundamental distinguishing trait of Russian art production is its strong and clear-cut popular basis—the deep roots which connect it with the art crafts of the people at large. In this popular character of the Russian embroideries, laces, pottery, wood-carving and black-enamel-work lies the source of their peculiar primitiveness, which is so appealing to the modern consciousness with its unquenchable thirst for expressiveness and laconism, to use a favorite expression of Mathies. The peasant masses of Russia have not yet lost the decorative sentiment—that love for the adornment of their households, down to the minutest details, which has already been lost to a considerable degree by the French and German peasants under the influence of the wares offered by the big shops. The Russian peasants have not yet lost the ability to utilize the simplest materials provided by nature, such as wood, sackcloth, bones, hides, leather, and wool. They have not lost the craft traditions dating back to remote antiquity, so that, despite the hard conditions of recent years, Russia still has her skilful carvers, potters, engravers, and women engaged in embroidering, lace-making, weaving and carpet-making. Even the centers of the peasant crafts connected with the special characteristics of individual regions have been retained. Thus, the central and northern provinces, un-

usually rich in timber, are to this day the centers of wonderful wood-carving. The Caucasus and Turkestan, rich in flocks of sheep, continue their production of beautiful carpets. All these art industries of the people not only have not perished since the Revolution, but on the contrary, they have found in the new social order a friend who protects these craftsmen of the people through cooperative organization and who establishes new craft and technical schools for the rising generation of peasants and workers. The only thing that the people's art industry of Soviet Russia lacks is a wide market.

Another feature of Soviet art industry, which lends it particular freshness, is its natural diversity. Europe, accustomed to the exhibitions of Imperial Russia, which stifled all the nationalities except the Great Russians, knows only the so-called "Russian style," which was in fact pseudo-Russian. As a result Europe has absolutely no idea of the true art of Russia, which is distinguished by a bright combination of diverse colors, each varying in hue with the locality of production. For, every nationality inhabiting Russia has its own expression in the art industry, its own style, its own favorite scheme of color and ornamentation. And there are several hundred such nationalities and ethnological groups in the Soviet Union. This is the reason why the Soviet Union's art history presents a spectacle of unusual variety, passing from the severe modesty of the Northern nationalities with their carvings and fur articles through the effeminate gentility of the Ukraine with its floral carpets, to the voluptuous Eastern exotics of the Caucasian silks or the abstract geometrization of the purple carpets of Turkestan.

Not only was this national diversity not curbed by the Revolution, but, on the contrary, its right to exist was legally recognized for the first time in Russian history, because it was only after the establishment of Soviet rule that the nationalities of the former Empire, and even the national minorities having no definite territory, were granted the complete right of national self-determination with their own administration, their own schools, and their own languages.

Of course, this popular and natural creative art of Russia does not stagnate. The Revolution has called forth new motives and new designs. And nothing, perhaps, testifies so eloquently to the profound mental revolution experienced by the wide masses of Russia as these new motives which are springing up spontaneously in the new designs of Russian wood-carvings, laces, embroideries, and other art objects, the new features being organically interwoven with the traditional ornamentation. Here, instead of the former two-headed eagle, we see the Sickle and the Hammer; and here Red soldiers, workers and peasants re-

place the boyars and aristocratic ladies of other days. Such, for instance, are the remarkable chessmen produced by the peasants in the province of Vyatka, which represent two camps: the Red and White armies. Such are also the toys which reflect the new social life and the new types of Soviet Russia. But, perhaps, the most remarkable in this respect are the compressed paper articles produced by the former icon-makers, in which this ancient refined craft of the religious miniaturists has been applied to the new themes of Soviet life. Such, for instance, is the box with the figure of the "Pionerka" (girl scout) holding the red banner aloft, the treatment reminding one of Botticelli.

It would be wrong, however, to suppose that the art industry of Russia is confined to handicraft and peasant art. Since the Revolution art industry in Russia has acquired far greater importance than it had in the past. There are two reasons for this. In the first place, it was necessary to meet the requirements of the new mass consumer, particularly of the peasant masses, and this made it necessary to put the art industry on a machine basis. This has furnished the soil for the regeneration and revival of the textile industry in the Republic, chiefly of cotton fabrics, which are already being manufactured by a number of trusts (Moscow, Tver, Ivanovo-Voznesensk, Leningrad). And, putting aside false modesty, it may be said that to the same extent that Europe boasts of its expensive fabrics, New Russia can boast of its bright-hued cotton prints for the village and its ornamented calico shawls for the Eastern population. The same need for meeting the new mass demands that betoken the awakening consciousness of the population, has led to the revival of the printing and allied arts, to the flourishing of the art of book-printing, and to the appearance of artistic yet inexpensive books for the masses, the production of these being concentrated in the hands of the State Publishing House. This applies in even greater degree to the art of street posters, whose development has quite transformed the appearance of Russian cities, introducing the bright note of purely urban art.

Apart from this social cause, yet another factor leading to the revival of mechanized art industry in Soviet Russia was the unparalleled streaming of artists into the industrial field. The Revolution, having been accomplished in the name of the toilers and having launched the slogan: "Everything to the Labor Front," has done away with the former aversions of artists to industrial enterprises. The old conventional division of art into superior and inferior, into pure and applied, has vanished. The artist, who formerly painted nothing but gilt-framed pictures has learned that it is his task to join in production, to go to the factory, to introduce into its products the new creative spirit instead of the old routine pattern, thereby nurturing the tastes of the masses and

assisting art to penetrate into the very life of the people. This movement is not like the one which occurred in England under the influence of William Morris and John Ruskin, for the modern Russian artists are not afraid of the machine as were those romantic English prophets of medieval handicraft. On the contrary, the Russian artists have rather become the romantic exponents of modernism. In this passion for industrial art, the post-revolutionary youth of Russia has even gone to extremes—to the temporary desertion of painting for the sake of material production; but this is to be explained psychologically as a reaction against the old estheticism, and it is now subsiding.

The results of this contact of artists with industry have already become apparent in the products of the Russian art industry. Thus, in the textile branch, instead of the former time-honored imitation of foreign patterns, there are now new cotton print designs created by young artists, with the late L. Popova at their head—designs in which the left-wing strivings in painting have for the first time been applied to industry. These designs throb with the pulse of the new life, which is dynamic and abrupt. In costume designing, considerable success has been attained by the famous dressmaker Lamanova, who endeavors to create sensible models of simplified yet artistic costumes that might serve as samples for mass production of inexpensive dresses within the reach of any working woman. The creation of modern costumes from the simplest materials is also being attempted by a number of others, such as Mukhina, Exter, and Stepanova, to mention only three of the prominent designers of women's apparel engaged in this work. The moving spirit of their work is the effort to bring into relief the beauty of the material as such, for any material, even the simplest, has its own beauty, its own esthetics.

But the most brilliant results of the participation of artists in industry has been manifested in ceramics. The famous Imperial Ceramic Factory of Leningrad, which had catered exclusively to the Court of the Tsars for the past two centuries, appeared to be doomed to extinction after the Revolution. Nevertheless, in the most trying years of 1918-1921 it turned out, as it does now, amazing specimens of new production, new designs, new points and even new constructive forms. The products of this factory, in spite of its aristocratic traditions, have become the reflection of the current political life of the country: on cups, plates and saucers we see not only the portraits of political leaders, but even the slogans of the Revolution. This fact is additional proof that real art is not afraid of life, that there are no such things as superior and inferior themes; for every theme, treated by the artist, is capable of artistic effect. Here we should particularly mention the activities of S. Tchekhosin, former director of this factory and now its artist, with his

exquisite graphic style; of Danke and Steneketikhin, with their gay and sonorous colorings; of Altman and others. In addition to its production of new crockery, the factory has also turned out a number of statuettes (Red soldiers, working women, militia) which constitute a complete gallery of the types of New Russia. The products of the Dulevsky and Novogorod factories should also be mentioned along with those of the Leningrad factory.

The Revolution, having launched the slogan, "Art for the People and by the People," was bound to effect a corresponding change in the system of art and craft education and training. Whereas the former Russian museums took little interest in the art industry, the new administration of museums established a number of purely industrial museums (furniture, ceramics, toys, silverware, etc.). While the old artistic school was detached from life, the new school strives to maintain the closest contact with industry and technology. Of no less importance than the Faculty of Painting in the Soviet Union's Art Academy are those of the printing, textile, metal and wood-working industries. The whole system of art instruction is built on the closest union between theory and practice. During the summer vacations the Soviet art students work in factories and shops, gaining practical knowledge of the process of production and keeping diaries of their experiences. On the other hand, contact with the broad masses is assured by the so-called "patron" work of young artists at workers' and Red soldiers' clubs. Here the young artists work out new methods for the decoration of walls, design posters and scenery for amateur dramatic performances, and so on. It is in this utilitarian direction (in the production of stands for newspapers, bookcases, orators' rostrums, etc.) that the young constructivists of Russia (Rodtchenko, Lavinsky, Tan and others) are active. These vital ties with industry and social life hold out the promise of a new generation of painters, who will not only be able to thrill in their lofty garrets with Platonic visions of that life beautiful which is the dream of all artists, but will also be able to give practical assistance in transforming the real life of their people.

And here, in conclusion, it ought to be mentioned that this people, aroused by the Revolution, is manifesting an unprecedented interest in art. The same decorative sentiment which has lived in the people from time immemorial, but which has hitherto found its expression only in the intimacy of the household, manifests itself now, after the Revolution, in public life—in the laws of festive or commemorative processions, of imposing banners, emblems and other symbols and occasions. The old regime had driven Russian life under the family roof, the new regime has turned the Russian subject into a citizen, into a free social being. Hence the call for new architecture,

for labor palaces and workers' houses, for new monuments, new parks and public squares, which is now active in Russia, and which bids fair to transform the outward appearance of her cities. The wave of decorative sentiment will unite here with social pathos, with the interests of the community.

Under the stimulating freedom of the country's new social order there is every promise that this vigorous spirit of popular art, now so feverishly striving toward richer expression, will eventually achieve its monumental triumphs—its Versailles, all the more glorious because it will be not the Versailles of his majesty the king, but that of the people. Yet the road to this goal lies through many and tremendous efforts, for the life of New Russia has emerged only recently from the crucible of the greatest privations and trials.

The Art of the Theatre in New Russia

THE time has not yet come to estimate the effect of the Russian Revolution on the arts. At no time has the Russian theatre displayed such intense vitality and such intrepidity in the search for new paths as in this period of storm and stress. But, however keen may be the struggle between the different currents (or, as they say in Russia, the different fronts: academical and Left), it is already possible to see a certain general trend, which is more or less followed by all the metropolitan theatres, including the oldest ex-imperial theatres.

It is true that, with the exception of a few plays, the Revolution has not yet created its own new and original Russian repertory, due to precisely the same reasons which postponed the dramatization of the fall of the Bastille until the day of Romain Rolland. Nevertheless, the Revolution has already stamped its seal on the essential form of theatrical performance in Russia, and even on the manner in which the Russian theatre now produces the old repertory on the stage, in other words, on the art of theatrical production. Whereas the theatre of the Great French Revolution, like all the arts of that period, dressed itself in the toga of classicism, the Russian Revolution, on the contrary, has introduced into the theatrical art, into this most conservative of the arts, a passionate thirst for modernization with all its scientific and technical apparatus, as well as its democratic spirit. To keep abreast of the times—such is the basic motive of artistic consciousness in Russia today.

It must be explained that it is not a question of the technical progress of the stage, nor of the new technical machinery of the stage, in which respect Russia, of course, is far behind wealthy Europe with its revolving stages and instantaneous changes of scenery. Reference is had to something far more important and profound. It

is a matter of the very aspect of the theatrical performance as such, the role played in it by the living actor and the theatrical properties, i.e., the decorations and stage settings.

Hitherto the Western public knew the Russian theatre only by two of its peculiarities which have attracted universal attention. One of these was its forceful psychological and social realism, originated by Dostoyevsky and Tolstoy, which enabled the Moscow Art Theatre to surpass the famous Meiningen in turning the theatre into an illustration of literature. It was a theatre of moods and reflexes, a theatre of the intelligentsia whose life had been driven inward by the old regime. Such a theatre was out of tune with the new epoch and its new mass of democratic spectators.

The other aspect of the Russian theatre known to foreign countries was the phase represented by the Russian ballet organized by S. Dyagilev. This was the theatre of oriental colour symphonies in whose voluptuous current the actor himself became no more than one of the decorative arabesques, even when there were distinct contours of style (e. g., "Scheherezade" or "L'Après-midi d'un Faune"). Of course, the great merit of this Russian theatre was the fact that it attracted to stage decoration such great painters as Bakst, Benoit, Röhrich, Goncharova and others, affording wide scope to their color fancies. But the painter's fancy had enjoyed too untrammelled a triumph on the stage; it had turned the performance into the illusion of an animated carpet or "panneau." The new spectator could not be satisfied by this "decorativism" any more than by realism. He demanded more scope for the actor's personality in his theatre.

This movement in favor of emancipating the theatre both from literature and from painting constitutes a logical consequence of the general principle of modern esthetics, which insists on a subdivision of the arts. Just as the art of painting in Western Europe now strives to become "pure painting" in order to master all the secrets of the craft, the theatre endeavors to return to its original source—the art of acting. In the ancient theatre, which knew of no rear-extension on the stage, not a single sound or gesture of the actor was lost. The popular theatre of the Middle Ages, the Shakespearean theatre, the Spanish theatre, and later on the Italian masquerade comedy, had turned the actor into a universal master who could act and perform in any style (down to acrobatics) on any stage. If Russia is again speaking of the Shakespearean theatre and of the "Commedia dell' Arte," it is not historical reminiscence, but the ardent desire to make the actor once more the full master of all the possibilities contained in his body.

As early as 1914 the Moscow Kamerny (chamber) Theatre, with the aid of the painter Madame Exter, introduced relief decorations on the stage instead of flat paintings, simplifying the landscape

in Annensky's play, "Famira Kifared" to fundamental forms of three dimensions, which enabled the actors to make the use of these relief decorations in acting. For the first time the actor with his three-dimensional body found harmonious surroundings of articles with three dimensions: cone-shaped poplars on which fauns could actually climb, cubical rocks, and so on. For the first time the decorations ceased to be a painted background and became a stage for acting.

The most brilliant protagonist of the new theatrical ideology was the talented director Vsevolod Meyerhold, a passionate innovator and a restless progressive artist. Meyerhold, with the directness of a rebel, began by divesting the actor of his theatrical make-up and of his stage finery. This step was not merely a return to the medieval theatre of the public thoroughfare, but also a peculiar form of tribute to modernism. The Revolution raised the principle of universal toil to a height which it had never occupied before, thereby enhancing the interest possessed by the toiling aspects of art, down to the toil of an acrobat in the circus. Such being the case, there was no need to conceal this creative toil of the actor from the spectator by means of stage decorations and finery, nor was it necessary to hide the actor's features behind the veil of make-ups and masquerades. The more nearly theatrical art is reduced to its professional substance—to the skill of the actor—the greater the achievements it will be possible to expect from the actor. During the performance and intermissions let the spectator see the bare brick walls of the stage, and let him get used to beholding the actor in his simple working costume, which is designed to afford the greatest freedom of motion. Let the stage be exposed in all its width and height, let not one inch of the floor be lost. Let the decorations consist merely of an architectural skeleton, a sort of working bench or gymnastic apparatus, rationally adapted to afford the utmost display of the movements of the actors, of their walking, jumping and climbing. For the theatre, by its very nature, is a kingdom of dynamics. Such was the first doctrine of the revolution accomplished in the theatre. It was applied not only by Meyerhold, but also by the late gifted stage-manager Vakhtangov, who, in his clever production of "Tourandot," had the actors come out on the stage in frock coats and, in full view of the spectators, cover themselves with some shawls to become transformed into the heroes of an oriental fable. What Vakhtangov did with a smile, Meyerhold practised in all seriousness.

Such was the production of "The Generous Husband" by Krommeling, which established the principle of "constructivism" and "working clothes" on the stage. Here, too, for the first time an attempt was made to mechanize the scenery, increasing and accentuating the swing of the play by a huge revolving wheel. The production of

the German drama "The Human Mass," replacing the comic and erotic exercises of Krommeling's play by the pathos of the revolutionary crowd, has demonstrated that the constructivist form of setting insures the maximum of dynamism on the stage and the utmost development of mass scenes. Finally, the production of "Lake Lyul" introduced a style which made the regular stage almost identical with the moving picture. Elevators shot up and down on the stage, while screens illuminated by searchlights presented the texts and captions of the different scenes to the audience.

The application of this so-called "urbanic" style was carried to even greater extremes in the production of Chesterton's play "The Man Who Was Thursday." Here the multiple-storey construction, while retaining the dainty lightness of open woodwork, transforms the stage into an American skyscraper shown in cross-section. The action is unfolded simultaneously on the different "floors" and divisions of this structure; and the actors rapidly climb on the moving sidewalks and lifts, vanishing and reappearing, now here, now there. The flashing searchlights and the illuminated signs further enhance the cinematographic impression, and only the rhythmic noise and bustle and the words of the actors bring back the consciousness that this is a theatre of the regular drama. It is notable that this time the Moscow Kamerny Theatre, hitherto distinguished by the rich display of color in its productions, has confined itself almost solely to the black-and-white symphony of decorations and costumes, relieved only by the color effects on the illuminated signs. Paradoxical as it may seem, in its manner of presenting this play, the little Moscow theatre has broken the record of "Americanism" on the stage. It would be almost impossible to go further than this in the mechanization of the theatre. The method is actually dangerous to the life of the performers, and several Russian actors have suffered injuries through the accidents it has occasioned during the past year.

This constructivism in the theatre, replacing the former painted sheets by purely architectural structures, and banishing from the theatrical vocabulary the very term "decoration" for the sake of the new term "fixture," springs from both social and psychological forces. It reveals the trend towards architectural plasticism, the thirst for architectural construction, the desire for the construction of life itself—tendencies which were born out of the turmoil of war and particularly out of the upheaval of the Russian Revolution.

If the past generation of Russian painters went on the stage to escape the dullness of social life and to plunge into the poetic kingdom of fancy, into the bubbling spring of colors, we find the new generation—Altman, Rabinovitch, Yakulev, Vesnin, Shestakov, Spenberg and others—going on the stage for quite different motives, more sober and more scientific and businesslike. They go on the stage in order to divest the theatre of

its shabby illusions, to transform it instead into an arena for their daring engineering, their technical and constructivist exploits, to get the masses on the stage and to enlarge its scope. However, these daring attempts are tragically curbed by the limitations of the three stone walls of the stage, which interfere with the desire to take the theatre out into real life. To succeed, constructivism must radically alter the traditional box form of theatre bequeathed to us by the 18th century, probably by shifting the stage out into the auditorium.

Nothing is so significant of the "left" trend of the Russian theatres as the production of the "Lysistrata" of Aristophanes by the Moscow Art Theatre. The same theatre which had hitherto cultivated chiefly the naturalist method of presenting social truth and had won world renown in this sphere, suddenly paid tribute to modern constructivism, and it must be said that it acquitted itself splendidly. Rabinovitch's construction combines the spirit of ancient Greek architecture with the dynamics of today. The whole setting is surrounded on three sides by a circular blue background, creating the impression of Greece: white stone and blue sky. Built upon the revolving floor of the stage, it turns before the spectators, and together with it, as if on a merry-go-round, revolve the human figures: Spartans and Athenians, men and women. This brilliant use of the revolving stage, preceded only by Reinhardt's production of "Faust" long ago, creates a fascinating impression of animated and gay dynamics.

All this shows how passionately the Russian theatre and its artists are seeking new methods leading out of the cul-de-sac of "literary-psychological moods" toward the more active, joyous mass spectacles with dynamic emotional force to stir the audience to the depths.

It would be wrong, however, to think that the achievements of the Russian theatre are limited to this triumph of dynamics and the introduction of the mass upon the stage by means of constructivist scenery. Among the other achievements of the Soviet theatre should be noted the expressiveness of costume and make-up and the ability to achieve the sharpest characterizations.

The contemporary theatre of the Soviet Union reflects all the impulsiveness of a revolutionary epoch, and if these impulses occasion mistakes here and there, it must be remembered that the only ones who commit no mistakes are those who do nothing, those who repose upon past academic laurels. There is no doubt but that the young Russian theatre will finally be able to take stock of all its experiences, discarding the extreme things and retaining whatever is of value. By taking over the dynamics of the circus and cinema, without losing any of its own dramatic substance, it will grow into a real theatre of great formal achievements and of great spiritual content.

Russian Academy of Sciences in 1924

IN 1924 the Russian Academy of Sciences completed the second century of its existence. It is one of the oldest scientific institutions in the Soviet Union and is playing a tremendous role in the country's cultural life. The activities of the Academy are highly diversified both in method and content. The institutes and establishments connected with the Academy of Sciences are carrying on a vast amount of research work in all branches of science, collecting and critically examining new scientific data, studying the natural and ethnographic characteristics of different regions and countries, and organizing and equipping numerous scientific expeditions.

The Academy was particularly active during 1924. It held 64 general meetings, at which 805 questions were discussed and 112 papers read. In addition, 400 other papers were read in separate departments. The scientific publications issued by the Academy during the year totaled 55 volumes, while over 4,000 additional pages were prepared for the press but had not yet been published at the close of the year. Due to the resumption of scientific relations with foreign countries, 28,000 copies of the Academy's publications were sent abroad and 30,000 more were prepared for shipment.

Altogether, 78 expeditions were organized and dispatched to the Urals, Siberia, Mongolia, Central Asia, Caucasus, North and South Russia, and other regions. As a result of these expeditions the Zoological Museum alone has been enriched by a collection of 128 specimens of mammals from Northern Mongolia, a collection of 3,854 specimens of invertebrates from Transbaikalia, 3,195 specimens of fishes and miscellaneous invertebrates from the Pacific Ocean, and many other additions. The Asiatic Museum has obtained a collection of the works of the learned Chinese archaeologist Lo-Chen-Yui, new publications in the Abkhasian language, and has made other interesting acquisitions.

Worthy of particular mention are the expeditions sent by the Geological and Mineralogical Museums to Mongolia, the Turgai region, Turkestan, the Urals and the North of European Russia. The members of the expedition studied the morphology of Dinosauria and Dicynodontia, the fauna of the Ussuri region, and other features of these regions.

The Botanical Museum has worked on collections of parasitic mushrooms, tropical flowers, specimens of White-Russian moss, etc.

The Zoological Museum has studied material collected by the expeditions to Northern Mongolia, Transbaikalia and the Pacific Ocean, working on the fossils of mammals found in Crimean caves, specimens of paleoartic frogs, *Phrynoceppatus* sponges from the Northern seas, as well as other zoologic specimens.

The main subject of research in the Academy's Physiological Laboratory was the study of the occipital lobes of higher animals by the method of conditional reflexes.

In the domain of anthropology and ethnography, researches were made on the collection of sacerdotal objects used by the Altaians and Samoyedes. This section also began the compilation of a catalogue of the material culture, social order and religions of India. In addition, studies were made of the bio-chemical properties of the human blood, of abnormal scalps, teeth, etc.

Collaborators of the Asiatic Museum have collected Chinese manuscripts on sinology, studied Coptic papiiri, edited a collection of researches by the modern Chinese archaeologist Lo-Chen-Yui, prepared for publication 340 volumes of the Canon of Dao-Jsan, lithographed at Shanghai from a xylographic copy of the 15th century, and have made other contributions.

The Japhetic Institute has made a study of the Indo-European elements in the Iranian, Germanic and Italic languages, of the cuneiform epitaphs of Van, and so on.

The sections of the Academy also include the Pushkin Home, which collects and edits materials dealing with Pushkin and his time, and also with other noted Russian writers. Exhibitions were arranged on the 125th anniversary of Pushkin's birth, on the 5th anniversary of the death of Leonid Audreyev, and on the centenary of the publication of Griboyedev's comedy "The Misfortune of Being Wise," (*Gorye ot Uma*).

Notwithstanding the strictly scientific nature of the Academy's work, the results of the activities of most of its sections proved to be of great importance to industrial and technical progress. Such, for instance, were the researches and experiments of the Chemical Museum on the separation of metals by means of hydrogen under high temperature and pressure, the analysis of solutions of Crimean lake-salts, etc. Thanks to the researches of the Physico-Mathematical Museum of the Academy in the reading of seismographic records, a new system of constructing seismographic instruments has been developed.

Among the various commissions working in connection with the Academy should be mentioned the Commission for the Study of the Soviet Union's Natural Productive Forces, the Commission for the Study of the Racial Composition of the Population, the Central Bureau of Local History, the Commission for the Study of Tropical Countries, the Commission for the Study of the Polar Region, the Baikal Region and the Yakut Republic, the Commission for the Compilation of a Dictionary of the Russian Language with a chart of its dialects, the Commission for the Compilation of a Concise Bibliography of Old-Russian Literature, the Commission for Scientific Exhibitions, etc.

Excavations in Mongolia

THE famous traveler and explorer, P. K. Kozlov, a disciple of the well known explorer of Central Asia, Przevalski, with whom he had completed two journeys across Central Asia, continued the work of his teacher after the latter's death.

P. K. Kozlov has carried out many voyages through Mongolia and Tibet and has studied the geography, ethnography and natural history of those regions for many years. The results of his labors are recorded in his many scientific publications: "Mongolia and Kam," "A Russian Traveler in Central Asia," "Three-Year Journey Through Mongolia and Tibet," "Tibet and Dalai-lama," etc. P. K. Kozlov's books afford the possibility of gaining a thorough knowledge of the extremely interesting and hitherto entirely unknown regions of Central Asia.

A great discovery was made by P. K. Kozlov in 1907-1909, when he unearthed in the desert of Gobi the dead city of Khara-Khoto, which is buried in the sands and is thought to have flourished in the 13th century. Excavations carried out in this city yielded a whole library of over 2,000 volumes, Buddha images on linen and silk, both painted and woven, statues and statuettes of Buddha, articles made of porcelain, bronze, silver, clay, wood, crystal-glass and other materials. The books and the silk images, as well as the other objects, were found in an admirable state of preservation in spite of their antiquity.

These numerous objects constitute a very rich collection, which furnishes archaeologists with a wealth of material for studying the culture of the forgotten ancient city.

P. K. Kozlov's book "Mongolia and Amdo and the Dead City of Khara-Khoto," published in 1923 with rich illustrations and over 600 pages, contains a complete record of his achievements in that region.

After the discovery of this city, P. K. Kozlov continued his indefatigable explorations. In February, 1924, he organized and led an expedition of the Russian Geographical Society, which discovered a locality with ancient tumuli ascribed by archaeologists to the period of 2,000 B. C. This locality is situated 150 versts northeast of Urga and 10 to 15 versts off the historic highway between Kiakhta and Urga. The tumuli are located in three defiles leading through the mountains of the Noin-Ulla range.

Ancient tombs were unearthed in the tumuli at a depth of about 50 feet. Great difficulties had to be overcome, particularly in the winter-time when the frozen ground resisted the spade and ice and water were encountered under the soil. However, in spite of every obstacle, the expedition worked with remarkable success, making one discovery after another.

The ancient tombs consist of wooden cabins, large and small, built one within the other, the

inner cabin containing a wooden tomb built of Siberian larch. On the floor of the chambers in the tombs were found many household articles made of wood, clay, bone and various metals, including gold. Among the objects were many woven fabrics, from crude felt and wool to the finest silks, decorated with hieroglyphics, colored ornaments and designs.

Particularly noteworthy among the numerous finds were a woven carpet (tapestry) bearing traces of Hellenic influence and a felt carpet embroidered with images of mythical animals. These two objects are recognized to be of unique value.

No less valuable, in the opinion of eminent archaeologists, is an ancient wooden tool used by primitive people for making fire. The ornaments on the cloth, pottery and other articles reflect the epoch of the Khan dynasty which ruled in Asia at the time of the Roman Republic and the first Caesars.

From the end of the 11th century B. C. to the beginning of the 1st century B. C. the Hum-Nu tribe, which lived here as northern neighbors of the Chinese, according to Chinese historians, was subject to the Khan Mao-Dun (otherwise known as Modé), who founded the Nomadic Empire.

When the might of China put an end to this Nomadic Empire, the assimilation of the two neighboring peoples began. This fact is clearly reflected in many of the household articles discovered.

All the articles found are of rare value to the student of ancient culture. They were taken to Leningrad, restored and placed on exhibition at the Russian Geographical Society. The exhibition was visited by a special delegation of Moscow scientists led by N. P. Gorbunov, representing the Council of People's Commissars.

P. K. Kozlov returned to Russia to report, while the expedition remained in Mongolia to continue the excavations. He gave a number of lectures in Moscow and Leningrad to large audiences. One of Kozlov's lectures was given in the Academy of Sciences and was illustrated by interesting lantern-slides.

At the end of March, P. K. Kozlov went back to Mongolia to rejoin the expedition. Many valuable discoveries were also made during his absence. Among these were whole human skeletons. In previous excavations only isolated bones had been found and but few of those. Thus, extremely interesting scientific material was unearthed not only for archaeologists, but also for anthropologists. It may be expected that the study of these skeletons will make it possible to establish the race to which this ancient people belonged.

While now engaged in superintending the activities of the expedition, P. K. Kozlov is at the same time working on the scientific study of the materials. He is writing a number of articles in which he intends to shed the fullest possible light on all the interesting discoveries made by the expedition.

Miscellaneous News

Laboratory for Short-Wave Radio Experiments

Radio transmission experiments with short wave-lengths of from 60 to 120 meters recently conducted by Professor Bonch-Bruyevich in the Soviet Union yielded splendid results, as attested by the fact that the messages were heard in England, India, and America within the course of three hours.

After looking into the advisability of continuing these experiments the Presidium of the State Planning Commission of the Soviet Union came to the conclusion that they were of the utmost importance. The People's Commissariat for Transports thereupon decided to defray the necessary expenditures for the construction of an experimental laboratory for this phase of radio research. A site will be selected for the laboratory in the near future.

New Radio Station on Soviet Arctic Coast

Work on the construction of a new radio station has been started near Murmansk on the Arctic coast. This station will serve the entire coast and ships in the surrounding waters.

American Firms at Moscow Radio Exposition

In addition to numerous European exhibitors there were some American firms represented at the Radio Exposition which opened at Moscow during the month of July. According to brief reports received here the American companies displayed particularly splendid sample collections of the products of the radio industry.

Progress of Textile Industry

The Textile Syndicate of the Soviet Union has adopted a comprehensive plan for building new mills, equipment for which will be imported from Great Britain and the United States. The first order, for textile machinery worth \$24,672,000, will be placed in England. In connection with the plan to place the next large order in the United States, an American banking representative is expected in Moscow shortly for conferences.

Textile production in the Soviet Union increased rapidly last year, and showed substantial further gains during the first six months (October 1, 1924, to April 1, 1925) of the current fiscal year—50 per cent in cotton goods and 20 per cent in woollens as compared with the same period last year. There is still, however, a marked shortage in textiles as compared with demand, and this shortage is expected to increase in the fall, if the present excellent crop prospects materialize. In addition Persia has absorbed a million dollars worth of Soviet textiles in the last six months, and the demand is growing.

At present the textile industry is running at between 70 and 75 per cent of the pre-war volume, and, with the new mills, is expected to pass the pre-war rate of output during 1926.

First Electrolytic Zinc and Tin Refining Plant

The construction of a trial plant for the electrolytic refining of zinc and tin has been undertaken in the Ridder mines in the Altai Mountains (Siberia). This will be the first installation of its kind in the Soviet Union. The experimental plant is to be finished by autumn of the present year, so that the winter's operations may provide the necessary practical details to make it possible to begin the construction of a large plant in the spring of 1926.

The initial volume of production is set at 2,500 tons of zinc and 3,000 tons of tin with simultaneous recovery of 50 poods of gold and 120 poods of silver a year. The ultimate aim is to bring the annual output of the enterprise up to 30,000 tons of zinc, 20,000 tons of tin, 400 poods of gold, 1,300 poods of silver, and 100,000 poods of copper, a volume which is assured by the prospected reserves in the deposits.

Industrial Progress in Leningrad

From October 1924 to June 1925 the number of workers employed in Leningrad increased by 37,100, or 28.5 per cent.

Construction of Achinsk-Minusinsk Railroad

Building operations on the Achinsk-Minusinsk Railroad line have reached Erbinsk Siding, which is at a distance of 324 versts (1 verst equals two-thirds of a mile) from the starting point. One and a half versts of road are being laid down each day.

At the present time over 2,000 men are employed in the construction work. It is expected that Abakan Station will be reached by October 1, thus approaching the Yenisei River. Surveying has started in connection with plans for the construction of a railway bridge across the Yenisei.

Agreements with Japanese Steamship Lines

Because of the insufficiency of Soviet tonnage in the Pacific Ocean agreements have been concluded with two Japanese steamship companies to cooperate with the Volunteer Fleet and the Ussuri Railroad in furnishing service to Kamchatka and foreign ports.

Moscow Statistics

At present the city of Moscow covers an area of 70,424 acres, as compared with 43,198 acres in 1912. On January 1, 1925, the Soviet Capital had 1,811,000 inhabitants, as against 1,772,000 in 1924 and 1,617,700 in 1912. For the past twelve years the city's population has included more males than females. The number of births in 1924 was 51,781, compared with 48,490 in 1923 and 54,649 in 1913. There has been a very marked decline in the death rate. The municipal records show a total of 27,982 deaths during 1924, as against 39,126 during 1913, when the population was appreciably smaller.

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Red Cross Society of Soviet Russia

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Bicentenary of the Russian Academy of Sciences

THE Russian Academy of Sciences was founded on January 22, 1724, at the order of Peter the Great, but its inaugural session was not held until June of the following year. As the latter occasion is properly considered the initial date of its career, the year 1925 has been selected as the two-hundredth anniversary and a jubilee celebration has been arranged for the first two weeks in September.

The Russian Academy of Sciences is considered one of the foremost learned institutions of the world. Its part in the world's scientific work is briefly outlined in the following article written for the Moscow "Izvestia" by the well-known Orientalist Sergius Oldenburg, Permanent Secretary of the Academy:

The Role of the Russian Academy in the World's Scientific Work

The establishment of the Russian Academy of Sciences took place at a period when the world's leading scientific academies and learned societies arose. It was a time when the advances in mathematics and the subsequent progress of the natural sciences, especially physics and chemistry, inspired a new departure in the scientific spirit throughout the world. Then began a marked decline in the pursuit of the humanistic studies and in the predominating role of the universities, accompanied by the creation of scientific societies and academies.

The origins of the Russian Academy of Sciences are connected with Leibnitz and the Paris Academy of Sciences. In the beginning it was necessary to turn to foreign countries in order to attract scientists, since Russia possessed none at that time. The Academy was immediately successful with its invitations and several prominent foreign mathematicians, among them Hermann, the Bernouilli brothers, and Euler, together with the historian Bayer and many other learned men, signified their consent and traveled to Russia.

It is interesting to note that the first paper to be read before the Academy was one on mathematics by Hermann. Very important was the fact that, in accordance with one of Peter the Great's chief instructions, the new academicians realized the necessity of devoting their first attention to the study of this immense new country, which had hitherto remained altogether unexplored. Illustrative of the situation at the time is the fact that a new map of the Caspian Sea brought back from Paris by Peter constituted a first-class

scientific discovery for the Russians, who had until then pictured this body of water in the most fantastic manner.

In view of this the first members of the Russian Academy of Sciences, apart from their purely theoretical studies, busied themselves with manifold investigations of the country and organized the requisite expeditions. (Noteworthy among these is the famous first expedition by Bering for the purpose of settling the question of the relative position of the northern stretches of the Asiatic and American continents. This was followed during the same century by a further series of expeditions—all during the eighteenth century—in which well known explorers participated.

The remarkable versatility of these savants was such that after these expeditions Russia became one of the best explored countries of that day.

With the entrance of Lomonossov into its ranks the Academy resorted to other methods of studying the country, which were based upon obtaining information from the local population. These local investigators have assisted greatly in effecting a detailed survey of the country.

The reports of these expeditions of the Academy, which were published in Russian, were soon translated into a number of foreign languages, as their results proved an unusual contribution to contemporary science. Toward the middle of the eighteenth century the Academy issued a geographical atlas which prompted the most flattering appraisal in Western Europe.

The universal character of the Russian Academy of Sciences and the completely new materials which it introduced into scientific usage made it not only a national, but also an international scientific institution, a position which it has maintained down to the present day. Twice the Academy took an active part in the movement to introduce the metric system on a universal scale but, unfortunately, it did not succeed at the time in having the new measures adopted in Russia. The question of introducing the new (Gregorian) calendar, which was adopted after the Revolution with the direct collaboration of the Academy, was raised by this body long ago and examined in detail by one of its special commissions.

During the eighteenth century the works of the Russian academicians were either in Latin or, for the most part, in one of the principal languages of Western Europe and they immediately

became generally available, since at that time scientific literature was to a considerable degree of an international character. In the nineteenth century, when the Academy began to issue its works mainly in Russian, the international value possessed by the contributions of its leading specialists is indicated by their translation into foreign languages. The following may be mentioned among the scientists turning out work of this international type: in mathematics—Chebyshev, Liapunov, Jacobi, Lenz, Golitsin; in astronomy—Struve, Becklund, Belepolsky; in chemistry—Butlerov, Zinin; in geology—Streme, Schmidt, Chernyshev, Fedorov, Karpinsky; in biology—Baehr, Famitsin, Middendorf, Brandt, Schrenk, Ovsianikov, Pavlov, and others; in Orientalism—Frahm, Schmidt, Schiefner, Sjögren, Vassiliev, Böhlingk, Rosen, Zaleman, Oldenburg, Marr, and others; in history—Vassilevsky, Bestuzhev, Kliuchevsky; in the classics—Nikitin, Latyshev, Ermstedt; and in linguistics—Fortunatov and Shakhmatov.

It should also be remarked that the Russian Academy of Sciences occupied a prominent place in the International Association of Academies formed toward the end of the nineteenth century, and that the last congress of this association before the outbreak of the war was held in St. Petersburg in 1913.

The Academy's intercourse with foreign countries, which was interrupted by the World and Civil Wars, has now been restored and, as in 1913, scientists from all countries will convene again during the first two weeks of September under the auspices of the Russian Academy of Sciences, this time for the Jubilee Celebration of its two-hundredth anniversary.

Organization of the Academy

The original by-laws of the Academy were drawn up by Leibnitz and for that epoch constituted an extremely novel and interesting document. A characteristic feature of the project drafted by the great German philosopher is the provision that the members of the Academy were to receive neither titles nor decorations, remaining content, so to speak, with the single sustenance of science. As a matter of fact, the by-laws found but little application; and the Academy was directed by a President of the Tsar's selection, while its members were enrolled in the ranks of the nobility.

The Academy went along in this state without any systematic organization until 1836, when Nicholas I approved a new set of by-laws, which appeared to be very liberal against the general background of his reign, and beginning with 1841 the scientific body was under the guidance of an Imperial Council sanctioned by the Tsar. Even then, on the whole, the Academy did not govern itself in accordance with any definite by-laws and

rather lived in the light of its traditions until 1912, when the effort to systematize and plan the institution's activities was begun.

At the present time the supreme organ in control of the entire work of the Academy is the general monthly meeting of all its members, whose official total is forty-two.

Since 1918 the method of electing new members to the Russian Academy of Sciences has changed considerably in the sense that the right to nominate candidates was granted to the greatest possible number of scientific workers. Upon the occurrence of a vacancy in its ranks the Academy sends out the widest possible notice to all scientific institutions and to all its members, requesting them to nominate candidates and furnish a detailed description of their scientific qualifications and achievements. A special commission then studies these nominations for a period of three months and presents an exhaustive report to a plenary session.

The Academy is headed by a President and a Vice-President elected by a general membership meeting for a term of five years and a Permanent Secretary chosen for an indefinite tenure. A. P. Karpinsky, a geologist, is now President of the Academy with V. A. Steklov as Vice-President and S. F. Oldenburg as Permanent Secretary.

During the past few years extensive repairs have been made in all the Academy buildings, which were damaged during their occupation as military quarters and hospitals.

The Russian Academy of Sciences consists of three divisions: Physico-Mathematical Sciences, Russian Language and Literature, and Historical Sciences and Philology. It embraces the following institutions: a Library under the directorship of N. K. Nikolsky; a Physico-Mathematical Institute with V. A. Steklov as director; a Chemical Institute with N. S. Kurnakov at its head; a Laboratory for Anatomy and Plant Physiology under the guidance of S. P. Kostychev; a Special Zoological Laboratory headed by N. V. Nessonov; a Physiological Laboratory directed by I. P. Pavlov; the Japhetic Institute with N. Y. Marr as director; the Peter the Great Geological and Mineralogical Museum under the directorship of A. E. Fersman; a Botanical Museum under the guidance of I. P. Borodin, a Zoological Museum with A. A. Bialinitsky-Birulia at its head; the Pushkin House, which has been under the directorship of N. A. Kotliarevsky, recently deceased; a Museum of Anthropology and Ethnography directed by E. F. Karsky; an Asiatic Museum headed by S. F. Oldenburg; the Sebastopol Biological Station under the guidance of N. V. Nessonov; the Caucasian Historico-Archeological Institute directed by N. Y. Marr; a Permanent Commission for Studying the Natural Productive Forces of the Soviet Union under the chairmanship of N. S. Kurnakov; a Permanent

Commission for Studying the Racial Composition of the Soviet Union's Population with S. F. Oldenburg as its chairman; a Permanent Library Commission under the chairmanship of N. K. Nikol'sky; a Commission on Scientific Expeditions with S. F. Oldenburg as its chairman; a Commission to Edit a Manual on Science and Scientific Workers in the Soviet Union, headed by S. F. Oldenburg; a Permanent Commission for the Study of Tropical Countries under the chairmanship of I. P. Borodin; a Permanent Polar Commission with A. P. Karpinsky as its chairman; a Commission to Study Lake Baikal under the chairmanship of P. P. Suskin; a Commission to Study the Yakutsk Autonomous Republic with S. F. Oldenburg as its chairman; a Russian Section of the International Commission for Solar Research with A. A. Belepolsky as its chairman; a Commission for the compilation of a Dictionary of the Russian Language under the chairmanship of V. M. Istrin; a Commission to Draw up a Chart of the Dialects of the Russian Language with Prof. D. N. Ushakov as its chairman; a Commission for the Publication of Pushkin's Works; a Slavonic Commission under the chairmanship of A. I. Sobolevsky; a Permanent Historical Commission with S. F. Platonov as its chairman; an Archeological Commission with S. F. Platonov as its chairman; a Russo-Byzantine Commission headed by F. I. Uspensky; a Collegium of Oriental Lore attached to the Asiatic Museum under the chairmanship of V. V. Bartold; a Committee for the Management of the Main Russian Astronomical Observatory; and a Committee for the Management of the Russian Hydrological Institute.

In addition to this the Academy has its own publishing office and printing plant.

The Main Russian Astronomical Observatory, the Russian Hydrological Institute, and the State Radium Institute are administratively and scientifically connected with the Academy.

The Russian Academy comprises 46 scientific institutions and numbers 462 workers. Its presidium consists of 41 academicians members, and four Russian and fifteen foreign honorary members, and it has 144 Russian and 167 foreign correspondents. The library of the Academy now contains over four million books and manuscripts. Since the revolution several of its institutes and museums have greatly expanded.

The Academy During the Revolution

The world war and the revolution left the Academy of Sciences in a precarious situation. Funds for publishing its works and maintaining its scientific establishments were exhausted. For a period during the civil war there was virtually no fuel in Leningrad. In the unheated and neglected buildings of the Academy precious volumes and delicate instruments were showing signs of deterioration. During the hard years the scientists suffered grievously from cold and lack of

food and the position of the Academy and of scientific work generally was greatly endangered.

In this situation a delegation from the Academy laid the full facts before Lenin early in 1921. Lenin took prompt measures to save the Academy. Emergency appropriations were made and persons who were encroaching upon the rights of the Academy were brought to book. By the following year, after further representations from the academicians, more permanent measures were taken to clear the situation and to establish the freedom of the Academy. A special provisional committee under the chairmanship of A. I. Rykov was created by the Council of People's Commissars to foster the work of the Academy through the difficult years, and as the economic position of the country improved the normal life of the Academy was restored and its activities became more extensive than in pre-war days. Damaged buildings and equipment were restored, new buildings were opened, and provisions were made for valuable increases in the collections. The provisional committee ended its labors in 1925.

Two-hundredth Jubilee Celebration

Distinguished scientists from all parts of the world will attend the two-hundredth jubilee celebration of the Russian Academy of Sciences, September 5 to 15. First-class traveling accommodations within the Soviet borders will be provided for the visitors free of charge and reduced hotel rates in Leningrad and Moscow.

From France will come Dr. Strassburger, President of the International Council of Geo-physicists and Geodetists; Professor Morulin Boule, director of the Palentological Institute, and others. Delegates will be present from the Academy of Sciences in Berlin and from Berlin University. The Royal Society of Great Britain will be represented and several British universities. Tokio University, Japan, will be represented by the orientalist Sadatoshi and Yasugi.

Delegates from remote places will include Dr. Djamsarano, President of the Scientific Committee of Mongolia, representatives of the National Academy of the Sandwich Islands, and Dr. Yudi, a 95-year-old scientist from India.

In addition to the United States, other countries from which scientific bodies will be represented include Belgium, Denmark, Holland, Sweden, Italy, Spain, Lithuania, Poland, Norway, Finland and Czecho-Slovakia.

Russian Academy of Sciences Renamed Academy of Sciences of the U.S.S.R.

On July 27 the Central Executive Committee and the Council of People's Commissars of the Soviet Union passed a decree recognizing the Russian Academy of Sciences as the highest learned institution of Federal scope and conferring upon it the new title of Academy of Sciences of the Union of Soviet Socialist Republics.

Soviet Foreign Trade

PRELIMINARY customs statistics show the following totals for Soviet foreign trade across the European frontiers during the first nine months of the current fiscal year (beginning October 1, 1924), all values being given in gold rubles at current prices:

Quantities in Tons

1924-25	Exports	Imports	Turnover
1st Quarter.....	1,061,000	225,000	1,286,000
2nd Quarter.....	849,000	325,000	1,174,000
First Half Year....	1,910,000	550,000	2,460,000
April	277,000	214,000	491,000
May	403,000	257,000	660,000
June	559,000	137,000	696,000
3rd Quarter	1,239,000	608,000	1,847,000
Total (9 months)...	3,149,000	1,158,000	4,307,000

Value in Thousands of Gold Rubles

1924-25	Exports	Imports	Turnover	Balance
1st Quarter....	119,277	101,055	220,332	+18,222
2nd Quarter....	111,704	132,079	243,783	-20,375
First Half Year	230,981	233,134	464,115	-2,153
April	29,727	62,777	92,504	-33,050
May	38,578	87,804	126,382	-49,226
June	50,597	60,802	111,399	-10,205
3rd Quarter....	118,902	211,383	330,285	-92,481
Total (9 months)	349,883	444,517	794,400	-94,634

The third quarter, which, with regard to exports, fell short of the first quarter by only 375,000 rubles, was the most important with regard to the total turnover (330,285,000 gold rubles, as against 243,783,000 gold rubles for the second quarter and 220,332,000 gold rubles for the first quarter, as well as with respect to imports (211,383,000 gold rubles, as against 132,079,000 gold rubles for the second quarter and 101,055,000 gold rubles for the first quarter). At the same time the third quarter added a heavy burden to the adverse balance of trade with a negative total of almost 92,500,000 gold rubles, as compared with a favorable balance of approximately 18,200,000 gold rubles for the first quarter and an unfavorable balance of about 20,400,000 gold rubles for the second quarter. However, there was a progressive improvement in the balance of trade during the course of the third quarter, as is manifest from a comparison of the unfavorable balances for May and June. It can be expected that this tendency to improve will become more marked during the fourth quarter, so that the adverse balance for the whole fiscal year will not be much over 100,000,000 gold rubles.

Soviet Foreign Trade in June

According to the table published above the Soviet Union's turnover for June decreased by approximately 15,000,000 gold rubles as compared with the May figure; exports increased by

12,000,000 gold rubles, while the imports diminished by almost exactly 27,000,000 gold rubles (—30.1 per cent). As a result the adverse balance of trade dropped from 49,226,000 gold rubles for May to 10,205,000 gold rubles for June, a fall of nearly 80 per cent.

June exports, as compared with May, were distributed as follows among the four principal export commodity groups:

Exports: Quantities in Tons

	May	June
Foodstuffs	33,751	46,596
Raw and Semi-Manufactured		
Materials	367,732	511,097
Live-Stock	774	673
Manufactures	270	137
Total	402,527	558,503

Exports: Value in Gold Rubles

	May	June
Foodstuffs	7,202,000	9,522,000
Raw and Semi-Manufactured		
Materials	30,673,000	40,410,000
Live-Stock	342,000	296,000
Manufactures	861,000	369,000
Total	38,578,000	50,597,000

These figures show that the expansion of June exports over May was due to an increase of 2,320,000 gold rubles in foodstuffs and mainly to an increase of 9,737,000 gold rubles in raw materials and semi-manufactured products.

The following individual commodities played the leading role in the expansion of Soviet export trade:

Exports: Quantities in Tons

	May	June
Foodstuff Group:		
Oil-cake	16,177	23,126
Butter	2,056	2,685
Eggs	6,568	7,506
Raw and Semi-Manufactured		
Material Group:		
Rough Timber	63,136	71,239
Sawed Timber	14,074	131,732
Seeds	5,114	8,545
Manganese Ore	57,311	76,143

Exports: Value in Gold Rubles

	May	June
Foodstuff Group:		
Oil-cake	1,241,000	2,141,000
Butter	2,130,000	2,888,000
Eggs	2,511,000	3,315,000
Raw and Semi-Manufactured		
Material Group:		
Rough Timber	1,218,000	1,310,000
Sawed Timber	769,000	5,788,000
Seeds	491,000	882,000
Manganese Ore	2,005,000	2,760,000

Exports of the following commodities decreased during June as compared with May, the figure for the latter month being given in parentheses: salt pork—48,000 gold rubles (72,000); furs—5,643,000 gold rubles (10,109,000); petroleum products—7,291,000 gold rubles (9,373,000); flax—557,000 (871,000); flax tow—179,000 (235,000); hemp and hemp tow—97,000 (154,000); iron ore—196,000 (326,000); cow and horse hair—80,000 (82,000); other animal hair—320,000 (453,000); and bristles—956,000 (3,091,000).

The tables given below reveal that the decrease in imports for June as compared with May was chiefly due to the reduction of the imports of foodstuffs and textile fibers and fabrics:

Imports: Quantities in Tons

Commodity Group	May Tons	June Tons
Foodstuffs and Live-Stock.....	186,486	71,453
Animal Products and their Manufactures	1,975	2,802
Lumber, Woodenware, Basketry, and all sorts of Plants and Plant Seeds	1,842	2,888
Ceramic Materials and Products.....	690	1,017
Fuel, Asphalt, Tar and their derived Products	2,095	5,638
Chemical Materials and Products....	8,562	5,671
Ores, Metals and all Metal Manufac- tures	17,456	14,352
Paper Goods and Printed Products..	19,062	19,816
Textile Fibers and Fabrics.....	18,630	13,790
Apparel, Haberdashery, Stationery etc.	30	57
Total	256,828	137,484

Imports: Value in Gold Rubles

Commodity Group	May Gold Rubles	June Gold Rubles
Foodstuffs and Live-Stock.....	33,098,000	12,513,000
Animal Products and their Manufactures	2,190,000	4,462,000
Lumber, Woodenware, Basketry, and all sorts of Plants and Plant Seeds	761,000	920,000
Ceramic Materials and Products	169,000	235,000
Fuel, Asphalt, Tar and their derived Products	1,956,000	1,782,000
Chemical Materials and Products	3,664,000	3,619,000
Ores, Metals and all Metal Manu- factures	13,166,000	11,953,000
Paper Goods and Printed Prod- ucts	2,893,000	3,024,000
Textile Fibers and Fabrics.....	29,761,000	22,025,000
Apparel, Haberdashery Station- ery, etc.	146,000	269,000
Total	87,804,000	60,802,000

The following table lists the commodities whose imports decreased during June as compared with May:

Commodity	May	June
	Gold Rubles	Gold Rubles
Wheat	695,000	4,000
Rye	5,887,000	3,958,000
Flour	17,672,000	920,000
Tea	1,326,000	901,000
Sugar	5,413,000	4,789,000
Rubber	1,378,000	1,119,000
Dyes	2,538,000	1,992,000
Agricultural Machines....	3,054,000	2,460,000
Tractors	90,000	44,000
Cotton	20,201,000	17,323,000
Wool	4,894,000	1,664,000
Cotton Yarn	1,281,000	891,000

The next table lists commodities whose imports increased during June as compared with May:

	May	June
	Gold Rubles	Gold Rubles
Raw Hides	681,000	2,069,000
Tanned Hides	822,000	2,030,000
Paints	1,297,000	1,371,000
Cellulose	582,000	786,000

Oil Exports for First Three Quarters of 1924-25

Soviet petroleum exports for the month of June throughout the industry aggregated 136,500 tons, which is 33,300 tons below the record export figure set up during the preceding month. June exports of various oil products were as follows: kerosene—41,700 tons; benzine and ligroin—27,900 tons; machine oil—3,300 tons; other oils, residue ("mazut") lubricants and petroleum pitch—300 tons; fuel oil and gas oil—50,700 tons; and crude petroleum—12,600 tons.

June closed the third quarter of the current fiscal year. The exports for this three-month period were: kerosene—106,100 tons; benzine and ligroin—111,400 tons; machine oil—26,100 tons; solar oil—33,500 tons; other oils, residue ("mazut") lubricants and petroleum pitch—1,700 tons; fuel oil and gas oil—142,000 tons; and crude petroleum—37,100 tons; making a total of 437,800 tons, which is 185,600 tons larger than the total for the third quarter of the previous fiscal year.

The following table lists the exports of various Soviet oil products for the elapsed three quarters of the present fiscal year as compared with the same period of the preceding fiscal year:

Petroleum Product	Exports for 3 Quarters of	Exports for 3 Quarters of	% of Increase
	1924-25 Tons	1923-24 Tons	
Kerosene	275,900	248,300	11.1
Benzines and Ligroin...	210,600	102,800	104.8
Machine Oil	73,100	57,400	27.3
Solar Oil	57,100	42,200	35.4
Other Oils, Residue Lu- bricants and Petroleum Pitch	14,300	9,300	53.2
Fuel Oil and Gas Oil...	271,700	23,700	1,044.7
Crude Petroleum	40,500	30,400	33.3
Total	943,200	514,100	83.4

These figures for the first nine months furnish firm grounds for believing that the export program for the year will be fulfilled.

Soviet Fur Exports

The United States is now the chief consumer of Russian furs, though England stands first on the export list, according to statistics of fur exports for the first nine months of the Soviet fiscal year, October 1 to June 30.

Fur exports for the period were valued at \$26,300,000, more than double the exports for the entire fiscal year of 1923-24. England took 45.4 per cent of the furs, the United States 42.2 per cent and Germany 9.2 per cent. A considerable proportion of the exports to England represented purchases by British firms for resale in the American market.

Over half the fur exports were handled by the State trading organizations. The cooperative societies accounted for 27 per cent and mixed trading companies operating under license handled 14.5 per cent.

Soviet Grain Exports

During the first twenty days of July the "Exportkhleb" (Grain Export Corporation) sold a considerable number of wheat and rye cargoes for delivery during the forthcoming months to France, England, Germany, and Italy. A number of substantial oil-cake transactions were also closed.

Toward the end of July Soviet grain exports began to leave the port of Odessa. The first grain transport to go was the French vessel "Talla," which sailed for Marseilles with 1,000 tons of wheat. The second shipment of grain was scheduled to go to Rotterdam.

During the four months from August to November inclusive 1,200 foreign ships are expected to call at Black Sea ports for export cargoes of Soviet grain.

The limited extent of grain exports during the previous season made it possible to carry out a number of improvements at the grain shipping centers and especially at the ports, so that the new grain export campaign might be conducted without a hitch and overhead expenses reduced. The loading and unloading operations are being placed on a machine basis to a large extent. Corn (maize)-drying works are being built, and also tanks are being constructed for the delivery of vegetable oils, which the "Exportkhleb" organization plans to export in much larger volume this season.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.
 1 verst equals about two-thirds of a mile (0.66).
 1 arshin equals 0.77 yard.
 1 sazhen equals 7 feet.
 1 dessiatin equals 2.70 acres.
 1 vedro (bucket) equals 3.25 gallons.
 1 gold ruble equals \$514.
 1 kopeck equals .01 of a ruble.
 1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

Industrial Progress of U.S.S.R.

THE following table (figures for June preliminary) gives the gross production of petroleum in the Soviet Union during the first three quarters of the current fiscal year by three trusts of Federal scope (in tons):

	Azerbaijan Oil Trust	Grozny Oil Trust	Emba Oil Trust	Total
Output for 3 Quarters of 1924-25	3,348,500*	1,508,800	144,400	5,001,500
Program Quota	3,479,100	1,258,300	121,300	4,858,700
Percentage of Quota attained	96.2	119.9	119.1	102.9
Output for 3 Quarters of 1923-24	3,051,800**	1,073,800	89,500	4,215,100
Percentage Ratio of 1924- 25 to 1923-24	109.7	140.5	161.3	118.6

Thus over 5,000,000 tons of oil were produced by the State wells, representing an excess of about 3 per cent above the program quota. This favorable result is due to a considerable development of the gusher output, as can be seen by the following data (in tons):

	Azerbaijan	Grozny	Emba	Total
Gusher Output for 3 Quarters of 1924-25	432,300	949,800	20,800	1,402,700
Percentage of total output	12.9	62.9	14.3	28.0
Percentage of gusher out- put in 1923- 1924	6.8	53.0	0.1	19.5

Drilling operations during the first three quarters of the current fiscal year considerably exceeded the results for the same period of last year. Drilling assumed especially large proportions during the third quarter in the Baku field, where operations for May and June surpassed the pre-war scale of drilling, the June total establishing a new record of 13,698 meters.

The table below shows the drilling done in the different fields during the three quarters under review (in meters):

Depth Drilled	Azerbaijan Meters	Grozny Meters	Emba Meters	Total Meters
1st Quarter	21,245	10,328	792	32,365
2nd Quarter	22,742	9,783	774	33,299
3rd Quarter	36,210	14,790	1,047	52,047
Total for 3 Quarters of 1924-25	80,197	34,901	2,613	117,711
Total for 3 Quarters of 1923-24	56,504	27,443	1,051	84,998
Percentage Ratio of 1924-25 to 1923-24	141.9	127.2	248.6	138.5

At the end of the three-quarter period under consideration the wells in operation numbered 2,133 (including 470 working with deep pumps)

*In addition to this 57,400 tons were produced by small private operators.

**In addition to this 82,400 tons were produced by small private operators.

for the Azerbaijan Oil Trust, 337 for the Grozny Trust, and 65 for the Emba Trust.

Summing up, it may be observed that the Soviet oil industry has displayed marked signs of growth and development during the present fiscal year. A particularly rapid rise distinguishes the third quarter, during which both production and drilling began to forge swiftly ahead.

Output of Paper Products

The progress achieved by the paper industry of the Soviet Union during the first half of the fiscal year 1924-25 (October 1, 1924 to March 31, 1925) is shown by the following table reprinted from "Paper Industry," organ of the Technico-Economic Council of the Paper Industry (in tons, gross weight):

	Paper	Card-board	Chemical Pulp	Mechanical Pulp
First Half 1924-25	96,968	8,903	24,869	25,778
First Half 1923-24	50,146	6,550	16,115	18,930
Increase over First Half of 1923-24				
Per cent.....	93	86	54	36

Soviet Tractor Production

Soviet tractor factories are turning out chiefly light machines of about 20 horsepower (from 12 to 25 horsepower) similar to the Fordson type, as this has proved to be the most suitable for large-scale production and utilization.

At the present time the principal question in this regard is the rapidity with which the Soviet Union can increase its tractor output. The program for the fiscal year 1924-25, revised downward in line with the showing for the first half year, calls for the construction of 1,450 tractors, of which 200 are to be of the heavy caterpillar type, while 1,250 are to be light machines. The tentative program for the fiscal year 1925-26 entails the manufacture of 4,300 tractors, including 400 caterpillar machines. It is proposed to bring the output for the fiscal years 1926-27 and 1927-28 up to 5,000 tractors.

This volume of domestic tractor production can by no means fulfill the agricultural demand, so that the importation of tractors is of great importance. During the fiscal year 1922-23 the Soviet Union imported 805 tractors, while in 1923-24 the number was 1,375, according to the figures of the People's Commissariat for Agriculture; and during the current fiscal year 1924-25 it is planned to import 4,000 tractors, of which 1,828 had been brought into the country up to May. The imports of tractors therefore considerably exceed the domestic output.

In this connection it must be taken into account that the demand for tractors in the Soviet Union's grain growing regions during the current year surpassed the offer several times over, so that it would have been possible to sell from 10,000 to 12,000 tractors instead of 4,000 to 5,000.

According to the data of the Chief Metals De-

partment the supply of new tractors for the four years 1925 to 1928 inclusive will be as follows: 1925—5,000; 1926—8,500; 1927—15,500; and 1928—31,000; making a total of 60,000 tractors. These forecasts are scarcely overestimated. The contrary is rather the case. If the Soviet Union's capacity of tractor production remains within the present possibilities, it will be necessary to import over 10,000 tractors in 1927 and more than 25,000 in 1928. In view of this abnormal situation, the building of a tractor plant designed for large-scale production is being contemplated.

Tentative Program for Metal Industry

The Metals Planning Division of the Chief Metals Department has recently completed estimates of the Soviet Union's requirements of metals and metal manufactures during the next three years.

According to statements submitted by consumers the metals (including imports) required by the metal industry itself and by the various trusts for their operating purposes amount to 822,100,000 pre-war rubles in value for the fiscal year 1925-26, to 1,065,000,000 pre-war rubles for 1926-27 and to 1,269,500,000 pre-war rubles for 1927-28.

It is calculated that the People's Commissariat for Transports will need 156,500,000 pre-war rubles' worth of metals and metal products during the fiscal year 1925-26, agriculture—121,600,000 rubles, the textile industry—43,500,000 rubles, the oil industry—43,000,000 rubles, water transport—21,500,000 rubles, electrical construction—14,600,000 rubles, the general market—81,500,000 rubles' worth, etc. These figures are based upon the latest statements submitted by consumers. So far as the principal consumers are concerned, there will be no material change in metal requirements during the next two or three years, as many of the organizations in question are now revising their future plans.

The prospective consumption of metals for the fiscal year 1925-26 is distributed as follows among the various categories of production: ferrous metallurgy—235,800,000 pre-war rubles (28.5 per cent of the total), non-ferrous metallurgy—65,500,000 pre-war rubles (8 per cent of the total), machine building—290,000,000 pre-war rubles (35.4 per cent), shipbuilding—21,500,000 pre-war rubles (2.6 per cent), agricultural machine building—121,600,000 pre-war rubles (14.8 per cent), and metal goods manufacturing—87,700,000 pre-war rubles (10.7 per cent).

The estimated consumption for the fiscal year 1926-27 is divided as follows: ferrous metallurgy—311,100,000 pre-war rubles (29.2 per cent of the total), non-ferrous metallurgy—88,800,000 pre-war rubles (8.4 per cent), machine construction—371,200,000 pre-war rubles (34.8 per cent), shipbuilding—39,300,000 pre-war rubles (3.8 per

cent), agricultural machine building—142,300,000 pre-war rubles (13.3 per cent), and metal goods manufacturing—112,300,000 pre-war rubles (10.5 per cent).

The consumption forecast for 1927-28 is as follows: ferrous metallurgy—384,500,000 pre-war rubles (30.4 per cent of total), non-ferrous metallurgy—111,600,000 pre-war rubles (8.8 per cent), machine construction—440,600,000 pre-war rubles (34.7 per cent), shipbuilding—38,200,000 pre-war rubles (3 per cent), agricultural machine building—163,300,000 pre-war rubles (12.9 per cent), and metal goods manufacturing—131,300,000 pre-war rubles (10.2 per cent).

These figures show that the percentage distribution of metal consumption among the different branches of production will remain almost unaltered during the next three fiscal years. In comparison with the share going to ferrous and non-ferrous metallurgy the share of machine construction shows a certain decline, while that of agricultural machine building reveals a more marked reduction. This is explained by the fact that the requirements of industry and the consumers operating under quota allotments are increasing somewhat faster than the demands of agriculture.

Soviet Electrical Industry Program for 1925-26

The Industrial Division of the Chief Department of the Electrical Industry has drawn up a tentative program for the fiscal year 1925-26 which calls for a gross output valued at 109,148,000 gold rubles on the basis of 1914 prices, this total representing an increase of 72 per cent over the production for the fiscal year 1924-25.

This gross output is to be distributed as follows among the individual trusts: plants of the Central Region Electrical Trust—47,400,000 gold rubles; plants of the Electrical Machine Trust—44,500,000 gold rubles; plants of the Low-Current Trust—16,300,000 gold rubles; and the "Carbolite" plant—875,000 gold rubles.

The execution of this program entails an increase of 43 per cent in the labor force, i.e., from the present total of 19,800 workers up to 28,100. At the same time the number of office employees in the industry will have to be increased by 22 per cent.

During the fiscal year 1925-26 the electrical plants will be operated at close to their full capacity. The plants of the Central Region Electrical Trust will run at 94.5 per cent of full capacity, those of the Electrical Machine Trust at 93.3, and those of the Low-Current Trust at 100 per cent.

The program for the forthcoming fiscal year requires the following increases over the present year's output of the various sorts of electrical equipment and supplies: electrical machines—59 per cent; wire and cable—45 per cent; lamps—84 per cent; insulation products—34 per cent; low-

current equipment—94 per cent; other equipment and supplies—73 per cent.

The appropriations of funds required by the electrical industry for the fiscal year 1925-26 are tentatively estimated at 21,600,000 gold rubles, including 9,500,000 gold rubles for major plant expansion and 11,800,000 for additions to the operating resources.

Wages and Labor Productivity

SINCE the Autumn of 1923 there has been a systematic decrease from month to month in the prices of industrial goods. Within the period extending from October, 1923 to March, 1925, there was a total decline of 28.1 per cent on industrial merchandise as a whole. During the fiscal year 1923-24 this fall in prices proceeded faster than the reduction of manufacturing costs, so that the margin of industrial profits shrank in 1923-24 as compared with 1922-23, despite an expansion of 29.9 per cent in the volume of production.

Notwithstanding the partial crop failure, the process of reconstruction in the Soviet Union's industries not only has not stopped during the current fiscal year, but, on the contrary, has intensified. Whereas there was an expansion of 29.9 per cent in industrial production during 1923-24 as compared with 1922-23, the first half of the present fiscal year has shown an increase of 55 per cent over the corresponding part of the previous fiscal year. Furthermore, while last year's industrial expansion was accomplished mainly due to an increase in the labor force, the current year's advance has been due to greater productivity on the part of the individual industrial worker. In 1923-24 the rise of 29.9 per cent in gross industrial output was accompanied by an increase of 18.4 per cent in the labor force, whereas during the current fiscal year there has been an advance of 55 per cent in gross production with 15 per cent (217,515 workers) added to the labor force. This year the enlargement of industrial production has taken place more by virtue of a larger output per worker than by reason of an increase in the number of workers, although the number of additional workers drawn into industry during the first half of the present fiscal year is 11 per cent greater than the accretion for the entire fiscal year 1923-24. The rise of labor productivity not only did not lead to a reduction of the working force, as many feared, but, on the contrary, parallel with the growth of labor productivity, the first half of the present fiscal year showed a larger increase than did the whole preceding fiscal year in the number of new workers employed.

The campaign to increase labor productivity has yielded brilliant results not only in the struggle to lower manufacturing costs and speed up

the rate of productive development, but also in the fight against unemployment, the best evidence of which is found in the total of 217,515 new workers who were again drawn into the country's industrial life.

Data compiled by the All-Russian Central Council of Trade Unions reveal the following wage rates prevailing in various industries in the Soviet Union during the first quarter of the current fiscal year:

	Monthly Wages in Pre-War Rubles*	Percentage of Monthly Wages in 1913
Average for Entire Industry...	24.01	76.0
Metal-Working	27.89	84.5
Textile	19.69	96.1
Mining	22.07	52.8
Chemical	24.4	99.4
Leather	34.18	112.8
Printing and Allied.....	37.71	106
Paper	25	100
Food	30.61	140
Including:		
Industries in Moscow.....	32.45	119.7
Industries in Leningrad Prov..	32.93	93.8

From this table it is apparent that wages expressed in pre-war rubles, without including any of the special allowances made to workers, had not only attained the pre-war level in the principal branches of light† industry, but had even surpassed it considerably.

However, the comparatively low wage level and the still lower standard of labor productivity prevailing in Tsarist Russia are by no means the goal of the Soviet Union. The pre-war wage standard has already been exceeded in all the industries of Moscow and in the main branches of light industry throughout the country.

Increasing productivity is making it possible to raise wages further. Thus, for instance, in renewing the collective labor agreements in the textile industry the higher Government organs recently sanctioned a wage increase of 10 per cent above the existing rate, which, together with the special allowances, will mean an addition of almost 25,000,000 rubles to the annual wage fund.

Similar wage increases are being effected in other industrial branches. For example, the Southern Steel Trust, as a result of increased labor productivity, authorized a 19 per cent raise over the prevailing wages of workers of the lowest category, to take effect on July 1. Other wage increases are likewise in view in the other trusts, depending upon their financial situation and the progress made toward higher labor productivity.

In addition to this, wage increases have been effected in the petroleum industry, and a revision of wage scales is impending in other branches of the mining industry.

*The purchasing capacity of the pre-war ruble was considerably higher than that of the gold ruble at present.

†As "light" are to be considered all branches of industry except the mining, metal, electrical and building industries.

Accordingly, in renewing collective labor agreements during the present season an upward adjustment of wages is being made in the three most backward industrial branches, i.e., mining, metal, and textile.

Besides this, there will soon be an inevitable increase in real wages for the workers in all branches of industry as a result of the forthcoming reductions in the prices of industrial goods and agricultural products.

Social Welfare in the U.S.S.R.

THE SOVIET UNION was recently visited by a great number of labor delegations from various European countries such as England, Germany, Sweden, France and Belgium. The delegations were strictly non-partisan, their membership embracing all shades of political opinion. The British Women's Trades Union Delegation which recently returned from the Soviet Union has published a report on labor conditions in that country. The report, published first in the London "Daily Herald," is being widely quoted by the press in the Soviet Union. The following are some of the most interesting statements contained in the report:

The main purpose of our visit to Russia was to study the conditions of life of the women and children. At the same time, we also paid close attention to the conditions of life in general.

After spending almost ten weeks in the U.S.S.R., we have collected a mass of highly interesting material, which we are now engaged in classifying and writing up for an official report which we hope to issue in about four or five weeks. In the meantime, however, we consider it to be advisable to issue a preliminary statement of our general impressions.

After investigating conditions in numerous factories in many parts of the Soviet Republics, and after personal talks with workers of all trades and grades, including peasants and agricultural workers (some of these conversations we intend to reproduce in our report), we have no hesitation in saying that the Soviet Government not only has the enthusiastic support of the vast majority of the workers and peasants, but that both these classes of workers look upon the present Government as essentially their own.

Women are encouraged, as far as possible, to enter all classes of work; they are encouraged to become skilled workers in every branch of industry, and for equal work they receive equal pay. In all apprenticeship schools attached to the factories, boys and girls are working side by side.

The entry of women into industry is facilitated by the fact that most factories have nurseries and kindergartens attached, where the women can

leave their children in safety. Here the children are looked after and fed in most cases free of charge.

Every woman factory worker gets two months' leave of absence before and after the birth of a child, with full pay. In addition, an allowance is made in money or kind, usually the latter, to provide for the baby's clothes, etc., and free medical attention is provided. Women clerks and brain workers generally get six weeks before and six weeks after.

Works Canteens

A special feature of factory life is the works canteens, which provide meals for the children and employees. This is being encouraged by the Soviet authorities and trade unions as one method of freeing the woman from her domestic drudgery. In addition there are also communal and cooperative dining rooms, which diminish the domestic responsibility of the working women.

Attached to most factories is the "club," which plays an important part in the entertainment and education of the workers in the evenings. In order to give the women an opportunity to participate in educational circles and trade union meetings, the children are catered for by the provision of special accommodation and qualified attendants.

A minimum of two weeks holiday (with pay) is made statutory, added to which are a number of religious and national holidays. Two weeks extra is granted to workers in unhealthy or dangerous occupations.

The organization of rest homes, where workers may spend their vacation, is a unique development of present-day Russian life. These homes are for the most part the former palaces and country houses of the Russian princes, nobility and rich merchants. Thus health resorts in the Crimea, Caucasus and other parts of the country, which the workers had never dared hope to see formerly, are now peopled by workers and peasants during the summer. These rest homes are entirely free of charge, all expenses of traveling are met, and the worker is in receipt of full wages during his period of rest.

Health Institutes

A system of sanatoria and health institutes has been organized, and is being extended, for the treatment of various diseases, such as tuberculosis, nervous, heart and other complaints. A number of cases were noted where workers are being treated for general debility due to industrial fatigue. The period usually spent at those institutions is six weeks; but if necessary, a further period can be spent there. During the whole time they are in receipt of full wages and treatment is entirely free of charge.

Some of the factories we visited were very well equipped; in others the equipment was very much

out of date, but in most a real effort had been made to introduce improvements in equipment, ventilation and in everything appertaining to the health and protection of the worker.

In many districts new and greatly improved houses for workers and peasants are being built, and modern sanitary arrangements are being introduced, which will completely revolutionize the conditions of life of the people. Garden cities with the American and British type of houses are being constructed for the workers out of the profits of industry.

The Russian Red Cross Society

ON JUNE 12, 1925, the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) passed the following decree concerning the Red Cross Society of the R.S.F.S.R.:

Aims and Tasks of the Society

1. The Red Cross Society of the R.S.F.S.R., which comes under the direct supervision of the Presidium of the All-Russian Central Executive Committee, shall conform in its activities with the International Convention of 1864, with the decisions of the Conventions at Geneva in 1906 and at The Hague in 1907, as well as with the decisions of the International Red Cross Conferences.

2. The aims of the Society are: (a) medical and sanitary assistance to ill and wounded Red Army soldiers and sailors and the satisfaction of their material needs in time of war; (b) medical and sanitary aid to the population in time of elemental and other catastrophes; (c) aid to prisoners of war; (d) struggle against tuberculosis and other widely spread diseases; (e) medical and sanitary aid to children.

In carrying out these objects the Society shall coordinate its activity with the public health authorities in harmony with the system of a unified medical administration for the Soviet Union.

3. As an exception to the general regulations established in the Civil Code of the R.S.F.S.R., the Red Cross Society of the R.S.F.S.R. shall have the right to receive property by legacy, as well as by gift, without limitation as to amount.

4. The Red Cross Society of the R.S.F.S.R. shall maintain direct connections with the Red Cross Societies of the Constituent Republics and also, in the prescribed manner, with the Red Cross Societies of foreign nations and their international bureau.

5. The Red Cross Society of the R.S.F.S.R. shall enjoy corporate rights.

6. Institutions of the Society performing work directly included in the sphere of the activities of the Red Cross (pharmacies, sanatoriums, rest homes, etc.), provided that their entire income is

devoted to the accomplishment of the tasks imposed upon the Society, shall be exempted from Federal and local taxes and duties in accordance with the law passed on October 3, 1924 with regard to tax exemption for the Red Cross and the Red Crescent (Collected Statutes of 1924, No. 14, Art. 141). In addition to this, the institutions of the Red Cross Society shall be exempted from the payment of court fees, and notarial and stamp duties.

7. The employees of the Red Cross Society shall be on an equal footing with Government employees.

8. The Red Cross Society shall have the exclusive right to the use of its appointed symbol of a red Greek cross on a white ground.

Note: The right to employ this symbol shall likewise be reserved to the Military Sanitary Division within the limits of the Geneva Convention of 1906 and The Hague Convention of 1907.

9. Membership in the Society shall be open to: (a) all citizens enjoying the right of suffrage under the Constitution; and (b) proletarian and public organizations and institutions.

Funds of the Society

10. The funds of the Society shall consist of: (a) special theatrical, consular and railway, water and aerial transportation duties allotted to the Society by decrees of the Central Executive Committee and Council of People's Commissars of the Soviet Union and by the All-Russian Central Executive Committee and the Council of People's Commissars of the R.S.F.S.R. (Soviet Russia proper); (b) membership dues; (c) contributions of general and special character; (d) income from lectures, exhibitions, excursions, concerts, theatrical performances, etc.; (e) revenue from the exploitation of property and various institutions and enterprises belonging to the Society; (f) sums received from the sale of publications of the Society.

11. All funds received by the Society from the duties designated in part "a" of Article 10 and from membership dues shall be at the disposal of the Central Committee. All local funds shall be under the supervision of the Central Committee and 10 per cent of them shall be turned over to the disposition of the Central Committee.

Organs of the Society

12. The supreme organ of the Society shall be its All-Russian Congress; in the intervals between sessions its rights shall be exercised by the Central Committee of the Society elected by the All-Russian Congress.

The All-Russian Congress of the Society shall elect a Central Auditing Commission.

13. Local organizations of the Red Cross Society of the R.S.F.S.R. may be established everywhere throughout the territory of the

R.S.F.S.R. upon application by charter groups of not less than seven persons and they shall be confirmed by the higher bodies of the Society.

14. The local organs of the Society shall be the Provincial Committees (and bodies corresponding thereto), the City Committees (in Moscow and Leningrad), the County Committees (and bodies corresponding thereto), and the Township Committees (and bodies corresponding thereto). These committees shall be elected by the corresponding meeting of delegates; and the said meeting of delegates shall likewise elect local auditing committees.

15. The local organs of the Society shall be guided in their activity by the general objects of the Society and by its by-laws, complying with the directions, instructions and specific orders of the Central Committee of the Society and its Presidium, and submitting periodical reports of their activities to the superior bodies of the Society to which they are subordinate. The local committees of the Society shall draw up their programs of activities on the basis of the plan of work confirmed by the All-Russian Congress, these local programs being indorsed in turn by the congresses of the local organs of the Society. The functions, rights and obligations of the local organizations shall be defined in each instance by the presidium of the superior organ of the Society in accordance with the character and scale of the activities of the organizations in question.

Reports on the Society's Operations

16. At the end of the fiscal year the local committees shall draw up reports of their activities, together with accounts of their receipts and disbursements and the condition of their property, and shall lay them before their general meetings and submit them with the conclusions of the latter meetings to the Central Committee not later than December 1.

17. Upon receipt of the reports for the expired year from the local committees the Central Committee, after a suitable verification thereof, shall draw up a general report on the activities of the Society, on the receipts and disbursements and on the amount of property, which report, upon approval by the All-Russian Congress, shall be published for public information.

18. The By-laws of the Red Cross Society of the R.S.F.S.R. (Soviet Russia proper) shall be confirmed on the basis of the present decree by the All-Russian Congress of the Red Cross Society.

The Russian Information Bureau has received
a number of copies of the
**Official Report of the British Trades Union
Delegation to Russia**

Veterinary Activities in Russia

DURING the closing years of the pre-Revolutionary period within the territory of the Russian Socialist Federated Soviet Republic there were 2,163 veterinary surgeons, scattered throughout a number of veterinary organizations supported by the State, the local semi-autonomous bodies, etc., without any interconnections, all working along totally different principles and pursuing the separate aims peculiar to each.

The Soviet authorities created a unified system of veterinary practise, welding all the veterinary bodies into a single whole and providing a coordinated working plan, something which is possessed by no other nation and which offers the most promising assurance of the successful application of every veterinary measure.

Thanks to its singleness of purpose, its unified legal basis, and its supervision by one department (the People's Commissariat for Agriculture) within the confines of the various Constituent Republics, the work of the Soviet veterinary organization naturally yields much better results than formerly in applying measures of various sorts for the improvement of the country's situation with regard to veterinary sanitation. Veterinary sanitation inspection of live-stock transport facilities, the supervision of abattoirs, markets and animal product manufacturing plants, measures against epizootics, the work of veterinarian bacteriological institutions, veterinarian district offices—all these branches of veterinarian activity, intimately related and supplementary to one another in the well-knit system of veterinarian organization, can be freely concentrated at the will of the controlling department upon putting any specific measure into effect.

Apart from the unity and flexibility of the Soviet veterinarian organization, its most striking advance in comparison with the veterinary system of pre-Revolutionary Russia is the active participation of the broad peasant masses in the application of veterinary measures. The sanitary-veterinarian societies, the agricultural councils, and similar organizations considerably facilitate the work of the veterinary personnel, both in the supervision of veterinarian sanitation and in the struggle against animal diseases.

Along with a very limited number of veterinarian surgeons, as above stated, and with a defective veterinarian organization the Soviet Government inherited from the Tsarist regime a dense network of infectious animal plagues of all sorts spread throughout the land.

An examination of the official statistics covering the most dangerous and widespread epizootics during the five-year period of 1908 to 1912 shows that on the average the following numbers of animals were annually stricken in Russia with the diseases named: glanders—23,475; epidemic

pleuro-pneumonia — 18,234; anthrax — 44,820; barbs—1,258,570; mange—108,011; etc.

This "rich legacy," bequeathed to the Soviet system by the Tsarist regime and aggravated by foreign intervention and banditry during the early stage of the Revolution, did not fail to respond to the opportunity of increasing, so that during the initial years of the Soviet Republic's existence a flood of animal plagues swept through the land, destroying great numbers of cattle.

However, it may now be asserted with complete confidence that, thanks to a series of systematically planned and heroic measures, the country's live-stock industry has averted the calamity with which it was threatened by all sorts of animal plagues, so that the work of rooting out these diseases may now be continued in an atmosphere of calm assurance.

In view of the shortage of veterinarian surgeons needed for the fixed plan, already partly executed, of passing over from the crude methods of poorly equipped farriers to the skilled service of highly qualified veterinarians, the Soviet Government turned its attention in the first place to the extension of the system of advanced veterinarian training institutions. At present there are nine of these veterinarian institutes as compared with four in pre-Revolutionary Russia.

Without inoculation materials (vaccines, serums, etc.) it is impossible to carry on the struggle against epizootics. Before the war (1912) 4,400 liters of these substances were produced in the country, whereas during the last fiscal year (1923-24) 28,200 liters were produced, an increase of 650 per cent. There are now thirty well established and equipped veterinarian bacteriologic institutions in the R. S. F. S. R. (Soviet Russia proper), and their output is increasing yearly. For scientific research work in this field there is the State Institute of Experimental Veterinarian Science (something that was only a dream before the Revolution), consisting of fourteen divisions, already well developed, covering the various branches of veterinarian knowledge and possessing a highly qualified scientific staff.

A protective quarantine zone has been established along the Asiatic frontier to guard the Republic against the introduction of animal plagues from Mongolia and other countries. A similar protective zone has been set up along the Caucasian mountain range and one is now being instituted along the Transcaucasian boundary against plagues coming from Persia, etc.

To prevent the spread of animal plagues from one locality to another through the transportation of live-stock and animal products (meat, hides, wool, etc.), 972 veterinary sanitation inspection stations have been organized in the R. S. F. S. R. alone (Soviet Russia proper), 690 of which are located on the rail and water transportation routes. Of these inspection points 221 are of major importance and are maintained at the State's

expense with a staff of veterinarian specialists. The remainder are conducted by the personnel of the veterinarian district offices. The number of inspection stations manned by special veterinarian personnel will soon be raised to 296.

In addition to the system of the veterinarian district offices, the central authorities have sufficient forces at their disposal for the struggle against animal plagues.

There are abattoirs at places where a more or less considerable number of cattle are slaughtered. All the meat products shipped to the large interior centers of the Soviet Union, as well as those shipped to foreign countries, are subjected to veterinary sanitation inspection both at the slaughter houses and en route, so that they are absolutely guaranteed against the possibility of acting as carriers of animal disease epidemics.

These and a number of other measures, prophylactic as well as directly anti-epizootic in character, have yielded considerable results in a relative short space of time.

Thus, the cattle plague which spread over an enormous area of the Soviet Union during 1919-20 and carried off over a million head of the peasantry's herds, has now been completely stamped out in the R. S. F. S. R. (Soviet Russia proper), and the last traces of it are being extirpated in the Transcaucasian Soviet Federation, where, incidentally, it was never stamped out in Tsarist times. No fears need be entertained concerning new outbreaks of the cattle plague in the R. S. F. S. R. The protection of the Asiatic and Transcaucasian frontiers of the Republic against the introduction of animal plagues by the creation of quarantine zones, the steady production of ample quantities of anti-plague serums at two great veterinary bacteriologic institutions in the Northern Caucasus and in Chita, and also, as a result of the unity and flexibility of the veterinarian organization, the unlimited possibility of centering all forces upon the elimination of an epidemic in case of need, form an adequate guarantee against the occurrence and spread of the cattle plague in the R. S. F. S. R.

Owing to their chronical course and the many hidden forms of the maladies, horse glanders and epidemic pleuro-pneumonia in cattle are especially difficult to eradicate and the struggle against them cannot be waged with the swift concentration of fire-fighting tactics, but requires prolonged measures planned for a period of years.

Nevertheless, statistics are now available which show at a glance that despite the short interval of time favorable results have already been attained in the fight against epizootics.

Thus, whereas during the five-year period from 1908 to 1912 on the average 4.47 horses out of each 10,000 were afflicted with glanders, in 1923 this average had fallen to 2.84 per 10,000.

For the same five-year period 4.19 cattle were stricken with pleuro-pneumonia on the average

out of each 10,000 head, while in 1923 the proportion had decreased to 2.47 per 10,000.

During the five years from 1908 to 1912 the average annual total of live-stock afflicted with barbs was 1,258,570. In contradiction to the situation in the countries of western Europe, where the spread of this animal disease and the losses occasioned by it are colossal, during past years the Soviet Union has kept the cases of barbs within the bounds of a few tens of thousands (78,000 in 1922-23 and 160,000 in 1923-24); and it is bent upon the total extirpation of this malady. As is the case in almost all countries of western Europe, the epidemic diseases of the pig show a certain increase in the Soviet Union at the present time as compared with the pre-war condition. As the principal means of combatting them is the use of preventive inoculation, in the middle part of 1924 the production of serums against hog plague was organized on a large scale in four special veterinary bacteriologic institutions (in Krasnodar, Shebekin, Voronezh, and Kashintsev). This renders it possible to restrict the prevalence of this animal plague even during the course of the current year. With an unquestionably adequate supply of inoculation material and the widespread adoption of a system of preventive inoculation (as many as 3,500,000 injections were given during the course of the expired fiscal year in the R. S. F. S. R.), anthrax does not constitute any serious peril for the live-stock industry.

As regards veterinarian treatment, it may be stated that considerable success has been attained in this field also. The system of stations for veterinarian treatment has not only not decreased as compared with the pre-war total, but in many provinces it has markedly increased and is continually growing.

PAMPHLETS

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Foreign Relations of the U. S. S. R.

Mr. Karakhan on Soviet Policy toward China

ON July 26 about two hundred foreign guests and Chinese citizens active in political life attended a farewell banquet in Peking given in honor of Mr. Mochizuki the leader of the Japanese Kenseikai Party, who had spent some time in the city. Among those present were Mr. Sen-Jui-Lin, Chinese Minister of Foreign Affairs; Mr. Karakhan, Soviet Ambassador to China; Mr. Cerruti, Italian Envoy to China; Mr. MacMurray, Representative of the United States; Mr. Yoshizava, Japanese Envoy to China, and many other foreign and Chinese diplomats. After an extensive discourse by Mr. Mochizuki the gathering called upon Mr. Karakhan to speak, and the Soviet Ambassador responded with an address in which he reviewed the general situation of China.

He began by expressing the hope that his remarks before this select gathering would not be considered hostile propaganda. Referring to Mr. Mochizuki's speech, the Soviet Ambassador declared that the Japanese political leader was altogether correct in connecting present events in China with the World War, with the demands submitted by China on the occasion of the Versailles Peace Conference, with Wilson's famous 14 points, with the Washington Conference, and, finally, with the Soviet Union's policy toward China and the Soviet-Chinese Treaty of 1924.

"It is quite natural," continued Mr. Karakhan, "that great significance should be attached to the question of the Soviet Union's influence upon the national revolutionary movement in China. However, this influence is the outcome not, as is said so frequently but without foundation, of Soviet propaganda, but simply of the far more effective and momentous fact to which Mr. Mochizuki alluded—the Soviet policy of justice in both word and deed, which the Soviet Union has put into practice through the Soviet-Chinese Treaty and in all its other actions with regard to China. The Soviet Union's influence upon the struggle of the Chinese people for national freedom is a manifestation of inevitable historical laws and is not the result of artificial incitement of passions."

In connection with Mr. Mochizuki's advice that China proceed slowly and first establish order in its own house, the Soviet Ambassador said: "The establishment of order in one's own house is, of course, a good and necessary work, but how is this to be done by a man who is not the master, or not the full and sole master of his own house? I am convinced that if China is left in peace, the Chinese people will institute the required order."

Mr. Karakhan concluded his speech with the following medical analogy: "When an infection

invades a living organism, there is a rise in temperature which is nothing but a reaction of the health forces and the organism's act of self-defense against the infecting agent. Thus, a rise in temperature as the result of infection sometimes plays a useful role. Of course, the fever exhausts the organism, but it would be irrational to attempt to lower the temperature by covering the patient with ice, since that might kill the organism without destroying the infection. It is impossible to cure a disease without an accurate knowledge of the causes provoking it. The situation in China is extremely complicated, and a confusion of causes and consequences must be avoided. It will not help matters to pour cold water on the fevered organism. Whether China will pursue in its struggle the road traversed by Italy, America and the Soviet Union, or whether the Chinese people will find new paths to its liberation, I do not know, but I believe that the day is not distant when China will establish good relations with all countries on the basis of real equality and justice."

Mr. Tchitcherin on Forged Documents

Toward the middle of July Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union gave a statement to representatives of the press concerning the recently exposed practice of fabricating documents allegedly emanating from the Soviet Government or from international organizations having their seat in the Soviet Union. He pointed out that he is compelled to mention these organizations as well, as the adversaries of the U.S.S.R. persistently connect them with the Soviet Government. The following is the concluding part of Mr. Tchitcherin's statement:

Public opinion and the broadest masses in other countries must be informed that the documents published by the antagonists of the Soviet Government to support the accusations they lodge against it prove continuously to be the output of malevolent fabrication, and that special plants are in existence for this purpose. It should be remembered that when the Soviet Government offered to submit the question of the spurious nature of the so-called "Zinoviev letter" to a court of arbitration, the English Government declined the proffer.

At the present critical moment, when the most extreme adversaries of the Soviet Union in the various nations are raising their heads and loudly demanding a crusade against our country, there is every reason to expect the publication of further sensational forged documents by these elements with a view to a pretext for attacking the Soviet Union.

The advocates of peaceful settlement of international conflicts or of the elimination of war-like designs likely to provoke new international crises, should know that similar documents designed to promote the creation of a united front against the Soviet Union originate from special plants and are turned out by the hands of professional forgers.

Russians Must Have Soviet Passports to Enter Japan

During the final days of June the Japanese authorities published a notice in the Harbin press advising that Russian citizens without Soviet passports would be denied entrance into Japan. A well known Russian merchant of Harbin en route from London to Harbin tried to stop off at Yokohama, but the Japanese officials would not permit him to land owing to his lack of a Soviet passport.

Exchange of Telegrams on Welcome to Japanese Ambassador

On July 21, in response to a telegram of thanks from the Japanese Minister of Foreign Affairs for the welcome accorded to the Japanese Ambassador to the Soviet Union, Mr. Tchitcherin, People's Commissar for Foreign Affairs, transmitted a telegram stating that the greetings extended to Mr. Tanaka, the Japanese Ambassador, were an expression of the profound sympathy and sincere friendship entertained by the peoples of the Union of Socialist Soviet Republics toward the Japanese people.

Soviet-Persian Relations

The Persian Premier, Riza-Khan, visited the port of Pakhlevi on the Caspian Sea, where he was met by the Soviet Consul and a representative of the People's Commissariat for Foreign Trade. In expressing his thanks for this welcome, the Premier requested that his greetings be transmitted to Mr. Yurenev, the Soviet Union's diplomatic representative at Teheran, and during the subsequent conversation with the Soviet Consul he touched upon the permanence of the relations of sincere friendship existing between the Soviet Union and Persia upon a basis of mutual equality, and he also stressed the fact that in many ways Persia is indebted to the Soviet Union for its recovery.

Chinese Delegation Visits Moscow

On July 15 General Siu, head of the Chinese delegation for the study of political and economic conditions in Japan, Europe and America, arrived in Moscow by airplane from Germany, together with his colleagues. The delegation was to spend ten days in the Soviet Capital.

Appointment of Chinese Ambassador to the U.S.S.R.

Early in August Mr. Sun-Bao-Chee was appointed Chinese Ambassador to the U.S.S.R., the Soviet Government having consented to this nomination.

Recent Changes in Soviet Diplomatic Service

On July 9 the Presidium of the Central Executive Committee of the Soviet Union passed upon the following changes in the country's diplomatic representatives abroad:

Mr. A. S. Chernykh was relieved from his post as Plenipotentiary Representative of the Soviet Union in Finland and appointed to the same post in Latvia.

Mr. S. S. Alexandrovsky was named Plenipotentiary Representative of the Soviet Union in Lithuania.

Mr. I. L. Lorentz was transferred from his duties as Plenipotentiary Representative of the Soviet Union in Lithuania to act in the same capacity in Finland.

New Soviet Trade Delegate to Germany

On July 2 the Council of People's Commissars of the Soviet Union appointed Mr. Karl M. Begge to the post of Soviet Trade Delegate in Germany.

FINANCIAL STATEMENT

of the
Issue Department
of the
SOVIET STATE BANK
on August 1, 1925

Assets	Chervontsy
Gold (coin and bullion)	16,657,456
Platinum (bullion)	2,369,778
Foreign Bank Notes (at rate of £—9 rubles and \$1—1.94 rubles)	4,685,266
Drafts in Foreign Currency for the total am't of 188,460 cherv., less regular discount.	169,614
Discounted bills in chervontsy 49,480,022 less regular discount	44,532,019
Securities covering advances on goods 95,- 409 less regular discount	85,867
Total	68,500,000
Liabilities	Chervontsy
Notes transferred to State Bank	67,750,000
Balance to which notes may still be issued..	750,000
Total	68,500,000
68,500,000 chervontsy equal 685,000,000 gold rubles.	

Cultural Life in the Soviet Union

Architecture in the Soviet Union

By M. J. GINSBURG

DOWN through the various epochs of its existence the Russian people has always displayed great architectural gifts. The rich heritage of the past is witnessed at its best in the wooden churchyard structures, monasteries and huts built by the peasants of the northern forest lands with the axe as their only tool and no models or instructions, in the commodious single-storied houses of Pskov, in the majestic simplicity of the buildings of Great Novgorod, in the pictorial daintiness of the Russia of the Vladimir-Suzdal period, in the architecture of Kiev and Chernigov, and, finally, in the unique charm of Moscow and the stern architecture of spacious St. Petersburg (Leningrad).

While numerous foreign architects—Germans, Italians, Frenchmen and others—have been connected with Russia's architectural past, the history of their activities represents not so much an importation of foreign influence as the inspiration drawn by these foreign artists from the national character of Russian architecture.

The new Soviet regime recognizes the artistic merits of the old monuments and is justly proud of them. The Government is attending to their preservation and restoration with care and thoroughness unexampled in pre-revolutionary times. A special department has been created in the People's Commissariat for Education to pursue this work in a practical and scientific manner, and a vast amount of restorative work has been accomplished in the Moscow Kremlin, at Yaroslav, Novgorod, Samarkand, Rostov Velikiy, Uglich, Kazan, Vladimir, Suzdal, Sergiyev, Zvenigorod, Smolensk, and other cities.

At the same time, however, the new social order, while according great worth and generous admiration to the architectural achievements of the past, restricts them to their historical role and makes it unmistakably clear that to do creative work the modern architect must turn away from the past to the new life, which sweeps on incessantly, raising new problems whose solution cannot be found in the structural and monumental arts of bygone years.

The modern Russian architect is squarely confronted with the demands of a new type of social consumer, who, like all other consumers, dictates his requirements and imposes his tastes. The fundamental aspiration of modern Russian architecture is the creation of complex structures for the accommodation of workers, whether in the shape of large city buildings or suburban villages. The fact that the new architectural epoch began during the economic depression resulting from the World and Civil Wars has influenced both the

nature and the scope of its activities. This situation has rendered it imperative, on the one hand, to observe strict economy in the architectural plan with the elimination of everything superfluous and unnecessary to the structure and, on the other hand, to draw up an extensive construction plan, not merely for single individual dwellings, but for a whole system of buildings, carefully planned from beginning to end and coordinated by one supreme idea.

Another powerful influence in the contemporary architecture of the Soviet Union is the desire to keep abreast with modern achievements, as exemplified in the development of Western technique with its contribution of perfect organisms, such as motor-cars, airplanes and numerous other machines, things beautiful and new in their own way, in which perfection has been attained not by any esthetical conceptions, but by the sheer rational solution of practical problems. The very concept of "esthetics" is thus presented in an altogether different light and leads to a revision of architectural ideas. In contradistinction to the pre-revolutionary architects, who shut their eyes to the whole of this new world, the young present-day artists have discovered the limitless possibilities contained in the sound and candid utilization of modern construction methods and in the adaptability of new building materials, such as concrete, ferro-concrete, glass, and steel.

These are the new postulates upon which the youthful architecture of the Soviet Union is founded. However, it was not a simple matter to draw the correct conclusions from these new conditions, and it must be admitted that despite the enthusiasm of the creative efforts the years immediately following the Revolution, as is also partly true at present, were years of laborious seeking, years of slow though persistent struggle toward a new style of architecture.

The first stage of this struggle was marked by a purely theoretical rebellion against the musty old pseudo-classical forms. After radically demolishing the old foundations of architectural education, the left-wing architects' associations engaged in the solution of purely formal and abstract architectural problems. They produced a number of projects and models aiming at the elucidation of one architectural property or another and, what is particularly characteristic, emphasizing chiefly the dynamic functions and motile forces latent in every form of architecture. While the initial efforts resulted in the creation of certain naive architectural conceptions based on imitations of the modern motive agents, such as the machine, the motor, the steamship, etc., the actual requirements of life soon applied the requisite corrective and led to the birth of a number of architectural tendencies aiming chiefly at a ra-

tional and constructive solution of the problem. It may now be confidently asserted that the Soviet Union's new architecture is entering upon its best period. Having acquired wisdom through its past years of seeking and having struck root in the social and economic foundations of the new order, it is now working toward a rational solution of its problems, making use of every achievement of modern technique and endeavoring to attain the maximum of artistic expression by the simplest possible means and the use of the most outspoken constructive methods.

There is every reason to expect that the new architectural movement will obtain reinforcements from the ranks of the young architects who are going through the radically reorganized architectural schools, where the center of instruction has shifted to the elucidation of the fundamental space and volume problems of architecture and the rational treatment of the architectural problem as a whole.

The system of securing the best practical solutions through the announcement of architectural competitions has gained wide application in the Soviet Union and has concentrated the thought of many modern architects on the treatment of a number of current problems. Thus, in 1923, the Moscow Soviet commissioned the Architectural Association of that city to hold a competition for designs of model dwellings for workers. This brought in plans for 50 large-scale projects and led to a lively exchange of opinions. The conditions of the contest stipulated that instead of the usual designs of small workers' houses of a few apartments, the plans submitted should cover the erection of large collective buildings incorporating facilities for supplying public services along communal lines. A prospect was accordingly opened for the creation of monumental architectural groups embracing large garden-yards with grounds for sports and including provision for other public institutions.

Another extremely interesting competition was announced in 1923 by the Moscow Architectural Association, again on commission of the Moscow Soviet. This involved designs for an All-Russian Labor Palace entirely unprecedented in novelty and scale. If it is difficult for the modern architect, in the absence of examples and models, to create a residential building in complete accord with the changed conditions of life, it is infinitely more difficult to create a new type of palace, more majestic than those already in existence, and yet permeated with noble simplicity of labor. Wide scope was afforded to the participants in the contest by the grandiose scale of the projected structure with its spacious auditoriums, the largest of which was to accommodate 8,000 persons and serve as a meeting place for the representatives of international labor, and with a number of up-to-date features—a starting platform for air-planes, radio station, illuminated advertising, etc.

The plans submitted by the contestants in these competitions and numerous others have already definitely, if somewhat schematically, outlined the basic tendencies and features of modern architecture in the Soviet Union. To a certain extent a practical demonstration of these characteristics was provided by the principal pavilions erected at the First Agricultural and Domestic Crafts Exhibition of the Soviet Union in Moscow. These pavilions were designed under the guidance of the architect I. V. Sholtovsky. It was significant to observe the transformation that had occurred in the ideas of one of the Soviet Union's most gifted architects, who had hitherto been an exponent of classicism. Many of the pavilions succeeded in bringing out the excellent qualities of smooth mural surfaces freed of all classical embellishments and revealing the unadorned and undecorated constructive forms.

The principal buildings in the Foreign Section of this Exhibition (the main building, the vestibule, the cafe) were executed in a similar manner by the talented and discriminating Leningrad architect V. A. Stchuko. While the individual aspects of these structures differed, they all revealed the same spirit of modernism. Also worthy of attention was the general plan of the Exhibition drawn up under the architectural supervision of A. Stchusev. Although the work had to be done on extremely short notice and under almost continuous torrential rains, it displayed many positive achievements in the practical application of the new principles. With a few regrettable exceptions, there was a noteworthy emphasis upon the fundamental character of the basic structural material—wood, which yielded an almost unexpectedly interesting combination of surface colors ranging from lemon-yellow to brown and ash-gray tones.

On the whole, this occasion, which was the first more or less important practical experiment on the part of modern Russian architecture, marks a significant date because it not only revealed the organizing ability and energy of the Soviet Union's architects, but it also showed that the fundamental turn in their psychology has been completed.

It may confidently be predicted that the forthcoming era of extensive building in the Soviet Union will benefit by the theoretical attainments of past years and will produce finished examples of the new architectural style.

Agricultural Institutions of the U.S.S.R.

The following is a list of the various agricultural institutions of the Soviet Union:

- The "Timiriazev Agricultural Academy." Petrovsko-Razumovskoye Village, near Moscow.
- Institute of National Economy, Leningrad.
- Agricultural Institute, Leningrad.
- Experimental Agricultural Station, Moscow.
- First Kalinin Polytechnic Institute, Leningrad.

Agricultural Institute with Departments of Agronomics and Melioration, Saratov.
 Don Institute of Agriculture and Melioration, Novocherkassk.
 Siberian Institute of Agriculture and Forestry, Omsk.
 Kuban Agricultural Institute, Krasnodar.
 First Central Asiatic University, Tashkent.
 State Institute of Experimental Agronomics, Leningrad.
 State Institute of Pastures, Moscow.
 Experimental Agricultural Station, Vologda.
 Northwestern Experimental Agricultural Station, Leningrad.
 Experimental Agricultural Station, Vyatka.
 Urals Experimental Agricultural Station, Perm.
 Agricultural Institute, Voronezh.
 Engelhardt Experimental Agricultural Station, Smolensk Province.
 Experimental Agricultural Station, Voronezh.
 Bezentchug Experimental Agricultural Station, Samara Province.
 Shatilovo Experimental Agricultural Station, Tula Province.
 Experimental Agricultural Station, Kazan, Tartar Republic.
 Experimental Agricultural Station, Saratov.
 Rostov-Nakhichevan Experimental Station, Rostov-on-the-Don.
 Sochi Experimental Agricultural Station, Northern Caucasus.
 Omsk Experimental Agricultural Station, Omsk, Western Siberia.
 Experimental Agricultural Station, Krasnoyarsk, Yenissei Province.
 Tulin Experimental Agricultural Station, Tulin, Irkutsk Province, Eastern Siberia.
 Central Genetic and Selectional Experimental Station, Dyetskoye Selo, Leningrad.
 Central Silk-Worm Experimental Station, Moscow.
 Institute of Fisheries, Moscow.
 State Experimental Veterinary Institute, Liublino Station on Moscow-Kursk Railway, Kusminka Estate.
 Botanical Garden, Kharkov.
 Agricultural Institute, Kharkov.
 Agricultural Institute, Kiev.
 Agricultural Institute, Odessa.
 Institute of National Economy, Kiev.
 Experimental Station at Gori-Gorki in the District of Orsha.

International Automobile Trials and Radio Exhibition

In the 3,000-mile international automobile trials which began in the Soviet Union on August 9 and will continue through the early part of September, American manufacturers hold first place in the number and variety of machines represented. The makes of American motor cars, trucks and motorcycles represented include Lincoln, Packard, Buick, Dodge, Cadillac, Pierce-Arrow, Nash, Hudson, Chrysler, Ford, White, C. M. C., Mack, F. V. D., Indian, Harley-Davidson, Henderson and Excelsior.

Germany has second place in the competitions, displaying, particularly, heavy trucks and special machines. The principal makers of France, Italy and Austria are also represented, but English

manufacturers displayed little interest in the competition and only a few English firms entered. In all nearly 100 motor cars, fifty trucks and eighteen motorcycles are competing.

The passenger cars are being sent over a route from Leningrad to Tiflis, near the Black Sea, and return to Moscow, in all about 3,000 miles. Demonstrations are being given in all the larger towns, and according to reports great numbers of the population are coming from considerable distances to inspect the machines. Four weeks will be consumed in the run. For trucks the route is from Leningrad to Kharkov and return to Moscow, about 1,200 miles, and the motorcycles are being sent about 200 miles farther south, about 1,600 miles in all.

The object of the trials is to determine the types of motor vehicles best adapted to conditions in the Soviet Union. Prizes will be awarded on the basis of endurance and durability, capability, economy and engine performance. The trials are being managed jointly by the Board of Road Transport of the Soviet Government and the Moscow Automobile Club.

International Radio Exhibition in Moscow

An international exhibition of radio apparatus and material will be held in Moscow the latter part of September. A space of 10,800 square feet has been set aside in the exhibition hall of the Polytechnic Institute for foreign exhibitors. The People's Commissariat for Foreign Trade has granted to foreign entrants duty-free admission of all exhibits, including imports normally prohibited. All exhibits will be exempted from taxes up to October 1 and may be admitted for sale.

The principal German radio manufacturers have been the first to make reservations in the foreign section.

New wireless broadcasting stations have recently been opened at Leningrad, Kharkov and Kiev, and others are under construction in Gomel, Sverdlovsk (formerly Ekaterinburg), Novonikolayevsk, Tiflis, Baku, Rostov-on-Don and other cities. Three radio magazines are published at Moscow for the amateur fans, each with a circulation of about 50,000.

The principal radio features of the Soviet Union are the noonday and evening radio newspapers broadcasted by the big Moscow station, which is operated on a 12-kilowatt basis with a wavelength of 1,450 meters. In addition the station gives daily noonday and evening concerts, economic bulletins, and a special afternoon hour is devoted to tales and music for children. Each Sunday afternoon there is a special lecture on the problems of the radio amateur, and on Sunday evenings a practical lecture on agriculture to which millions of peasants listen in village reading rooms over a great radius of territory.

Miscellaneous News

The Harvest Situation

A report on the outlook for the grain crop in the Soviet Union during 1925 was presented at a plenary session of the Presidium of the State Planning Commission on July 21.

This report stated that the crop prospects have now taken definite shape, as harvesting is already under way in the South, in the Ukraine, and in the Southeast, while there can be no material changes in the crop condition in other regions. The outlook for the Soviet Union's grain crop this year is favorable and the harvest will be above average.

The results of the harvest, as determined by the two factors of sown area and average yield per dessiatin, are indicated by the following figures. In the consuming region (the territory of Northern Russia, which consumes more grain than it normally produces) the sown area is 2 per cent larger than last year; in the producing region (the black-earth belt of Central Russia which normally grows more grain than it consumes) and in the Crimea the sown area is 5 per cent above last year's total; in the Caucasus and the Daghestan Republic it is 7 per cent larger; in the Ukraine and in Turkmenistan it is the same as last year; in Siberia and the Far-Eastern Region 15 per cent larger; and in Kirghizia 11 per cent larger. The average crop condition on July 1 was 3.3 on the basis of 5 points for the maximum possible harvest. The sown area for the entire Soviet Union this year is 72,000,000 dessiatins, an increase of about 4 per cent over last year's total of 69,000,000 dessiatins. On the basis of the general condition of 3.3 reported on July 1, this sown area should yield a total grain crop of 3,923,000,000 poods.

If the general condition is increased by the additional improvement of 0.1 point indicated by reports for July 15, the total grain harvest will be 4,025,000,000 poods, which is about 1,000,000,000 poods larger than last year's aggregate. The crops expected in the individual regions are as follows: in the consuming zone—480,000,000 poods; in the producing zone—1,275,000,000 poods; in the Northern Caucasus—458,000,000 poods; in the Ukraine—1,113,000,000 poods; in Siberia 353,000,000 poods; in Turkmenistan—80,000,000; in Transcaucasia—95,000,000 poods.

Making allowance for seed grain required for the next sowing campaign and also for larger consumption by the population, the report estimates the surplus grain available for trade at about 1,000,000,000 poods. Exclusive of Transcaucasia and the Far-Eastern Region, the trading surplus of various grains is estimated as follows: rye—70,000,000 poods; wheat—400,000,000 poods;

oats—172,000,000 poods; barley—126,000,000 poods; millet and buckwheat—35,000,000 poods; corn (maize)—109,000,000 poods.

American Law Suit Against the Government of the Soviet Union Discontinued

On August 21 the following statement was issued by the Russian Information Bureau in Washington:

"The various civil actions brought during the past four years by Wolfson & Co., American fur importers, against the Government of the Soviet Union, in the New York State and the Federal Courts, based on the alleged confiscation of furs in Siberia during the Kolchak rebellion, have been amicably terminated, with a complete vindication of the legal position advanced by the attorneys for the Soviet Government.

"We are informed by Isaiah J. Hoorgin, Chairman of the Board of the Amtorg Trading Corporation, that Wolfson & Co. have opened negotiations in New York with Charles Recht, attorney for the Soviet Government, asking his consent to discontinue all suits. The Wolfsons bind themselves to bring no further suits of a similar character except in the Soviet Government's Courts or before some international tribunal to which the Soviet Government will consent.

"The first suit brought by the Wolfsons was decided against them in the highest court of New York State and dismissed on appeal to the United States Supreme Court. The last suit, brought in the New York Federal Court against the Amtorg Trading Corporation as alleged agent of the Soviet Government, was decided against the American firm by Federal Judge Knox. An appeal was pending before the United States Circuit Court of Appeals when the firm decided to end the litigation."

Discovery of Hitherto Unknown Tribe in Siberia

The Russian Academy of Sciences has published details about the hitherto unknown tribe of nomads recently discovered in Northwestern Siberia.

The tribe was discovered in a wild region near the lower waters of the rivers Nura and Taza, about 600 miles east of the Ural Mountains, which had not been explored before.

The new people are a dark, black-haired race, different in stature and physiognomy from the Samoyedes, their nearest neighbors. Their language is also decidedly different. It has independent roots and is distinguished by the absence of the "r" sound. The Samoyedes call the new tribe "Nian Kassavo," the Wood People. In their own language they call themselves The People.

Five clans of the Wood People, numbering in all about 600 persons have been discovered.



ISAIAH HOORGIN

RUSSIAN REVIEW

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In Memoriam

Isaiah J. Hoorgin and Ephraim M. Skliansky, who, on August 27, met a tragic fate by drowning in Long Lake in the Adirondacks, were listed among the most devoted and most capable men brought forth by the Russian Revolution. Both had given proof of their valor and organizing abilities during the early stages of Revolution and Civil War, and after the struggle was over, had consecrated themselves to the arduous task of economic reconstruction.

Isaiah Hoorgin was born thirty-eight years ago in Kiev, in the Ukraine, of a prosperous Jewish family. One of the most brilliant mathematicians among the students of the Kiev University, he was offered an academic career on condition that he pay a humiliating tribute to Tsarist religious intolerance by officially embracing the religion of the State. Needless to say he declined the offer and went his own way, a member of one of the revolutionary parties fighting against national and political oppression.

The Revolution of 1917 found him a member of the Executive Committee of the Jewish Socialist Labor Party and when as a consequence of the nationalist tendencies stimulated by the great upheaval, the Ukraine organized her own government, to which was attached a special Department for Jewish Affairs, Hoorgin was entrusted with the difficult task of carrying out the novel principle of non-territorial cultural autonomy for the Jewish population. At the time when he received this assignment, Hoorgin, like a great part of the urban citizens of the Ukraine, was ignorant of the Ukrainian language. With characteristic diligence, he set about mastering it, and in a surprisingly short time he was able to deliver an address before the Ukrainian National Assembly in the native tongue.

After the establishment of the Soviet Regime in the Ukraine Isaiah Hoorgin was first entrusted with the Department of Jewish Affairs—and later with the Statistical Department of Kiev which he succeeded in organizing in a short time at the cost of great efforts.

When the war with Poland was concluded he was sent to Warsaw as a member of the Ukrainian Commercial and Diplomatic Delegation and after two years' activity in this field, he came to the United States where he became instrumental in the establishment of the American branch of the German-Russian Shipping Company "Derutra." After this start as a "Soviet Merchant" he undertook the fruitful task of reorganizing the agencies engaged in the purchase of American commodities for the Soviet Union. Due to his efforts the "Products Exchange Corporation" and "Arcos-America" were merged and a new company organized in their stead which is known as the Amtorg Trading Corporation. Hoorgin became Chairman of the Board of the Corporation and it was under his guidance that since the beginning of last year American-Soviet trade has exceeded the pre-war level.

When the senseless accident put a sudden stop to all his future activities he was busy with preparations for an extension of Soviet trade operations on the American continent. He had gone for a rest to the mountains and was joined by Ephraim Skliansky, during the Civil War Acting Chairman of the Military Revolutionary Council, who had just arrived from the Soviet Union as the representative of the Textile Syndicate for which he had been working for the last two years.

The untimely death of the two men is a heavy blow to the cause of economic reconstruction of the Soviet Union.

Isaiah Hoorgin was widely known in this country. Because of his rare qualities, his death is a painful personal loss for all who knew him, for all who came in contact with him, even for a very short time. The numerous expressions of grief and messages of condolence from American business men are proof of the great esteem in which he was held. His was an individuality in which untiring energy and the keenest intelligence were united with the broadest culture, a keen zest for life and unusual personal loveliness.

Economic Situation and Outlook in the U.S.S.R.

ON August 7 a plenary session of the Presidium of the State Planning Commission of the Soviet Union was devoted to the consideration of a report submitted by a special body appointed to compile tentative figures covering the country's economic activities during the fiscal year 1925-26, beginning October 1, 1925. The following paragraphs contain a summary of the report in question:

Production, Trading Stocks and Prices

The value of the Soviet Union's gross agricultural production for the current fiscal year 1924-25 was placed at 9,150,000,000 gold rubles at pre-war prices, which is equivalent to 71 per cent of the total of 12,875,000,000 rubles for the pre-war year 1913. According to the figures submitted, this year's harvest will bring the value of agricultural production for the fiscal year 1925-26 up to 11,436,000,000 gold rubles, equal to 89 per cent of the aggregate for 1913. In this connection it is estimated that the produce of land tillage will amount to 10,236,000,000 gold rubles, or 87 per cent of the 1913 total, while the output value of the timber, fishing and hunting branches will be 1,200,000,000 gold rubles, or 115 per cent of the 1913 figure.

The output of the country's large scale industries, which amounted to 46 per cent of the 1913 total on the basis of pre-war prices during the fiscal year 1923-24 and rose to 70 per cent of the pre-war total during 1924-25, is expected to attain 94 per cent of the 1913 aggregate during the forthcoming fiscal year 1925-26. At pre-war prices the value of the gross output of the Soviet Union's large scale industries during 1925-26 will amount to 5,275,000,000 gold rubles, as against 3,950,000,000 gold rubles in 1924-25 and 5,620,000,000 gold rubles in 1913. The aggregate production of petty industries, including the unrecorded artisan and home-craft trades, will amount to 1,370,000,000 gold rubles in 1925-26, as compared with 1,050,000,000 gold rubles in 1924-25 and 1,390,000,000 gold rubles in 1913.

The total production volume of industry as a whole is to undergo an increase of 33 per cent and reach 95 per cent of the pre-war aggregate. The grand total value of the Soviet Union's industrial output during 1925-26 is set at 6,700,000,000 gold rubles on the basis of pre-war prices in comparison with 5,000,000,000 gold rubles for 1924-25 and 7,000,000,000 gold rubles for 1913.

The Soviet Union's combined agricultural and industrial production for the forthcoming fiscal year 1925-26 is calculated at 18,100,000,000 gold rubles, equivalent to 90 per cent of the grand total for 1913.

With respect to the turnover of merchandise in the Soviet Union during 1925-26, the report concludes that the volume of agricultural goods placed on the market will amount to 3,639,000,000* gold rubles, or 81.1 per cent of the total for 1913, while the volume of industrial goods will have a value of 5,510,000,000 gold rubles, or 78.6 per cent of the 1913 figure, thus making the combined value of agricultural and industrial merchandise stocks 9,149,000,000 gold rubles, which is equal to 79.2 per cent of the aggregate for 1913. In 1924-25 the turnover volume of agricultural merchandise amounted to 2,857,000,000 gold rubles and that of industrial goods to 4,450,000,000 gold rubles, making an aggregate of 7,307,000,000 gold rubles, or 63.5 per cent of the pre-war figure. The report, however, expresses the opinion that these data do not fully characterize the value of the forecast volume of merchandise turnover. In order to establish this it estimates the probable movement of prices during 1925-26. The general price index, basing calculations upon the gold ruble and setting the status in the year 1913 at 1,000 points, stood at 1,796 during the fiscal year 1924-25 and is expected to decline to 1,647 in 1925-26. The fall in the general price index will thus amount to 8.3 per cent, agricultural commodity prices decreasing by 8 per cent and industrial prices by 9 per cent. The largest price reductions are expected for the coal, metal, and rubber industries, while the smallest decreases are forecast for the tobacco, electro-technical and some other industries.

Freight Loadings

The expansion of the merchandise turnover will require a considerable increase in volume of freight handled by the transportation system. The report estimates that the loadings for the fiscal year 1925-26 will include 1,045,000,000 poods of grain, 650,000,000 poods of firewood, 550,000,000 poods of timber, 310,000,000 poods of petroleum, 1,055,000,000 poods of coal, and 2,490,000,000 poods of other cargo, making a total of 6,100,000,000 poods as against 4,576,000,000 poods in 1924-25 and 7,761,000,000 poods in 1913. Freight car loadings will accordingly show an increase of 48 per cent during the next fiscal year as compared with the previous year.

Capital Expenditures

The calculations in the report place the minimum sums needed for industrial expansion this year and for preliminary expenditures for work to be completed later at 80,000,000 gold rubles for electrification, 145,000,000 gold rubles for the tex-

*All the figures in this paragraph are calculated at pre-war prices.

tile industry, 42,000,000 gold rubles for the paper industry, 42,500,000 gold rubles for the chemical industry, 51,000,000 gold rubles for the sugar industry, 3,500,000 gold rubles for the oil pressing industry, 10,000,000 gold rubles for the distilling industry, 2,000,000 gold rubles for the tobacco industry, 17,500,000 gold rubles for the timber industry, 116,000,000 gold rubles for the petroleum industry, 11,500,000 gold rubles for the coal industry, 22,500,000 gold rubles for the electro-technical industry, 38,000,000 gold rubles for the glass industry, 182,000,000 gold rubles for the metal industry, 11,000,000 gold rubles for the building industry, and 75,000,000 gold rubles for other industries, together with 90,000,000 gold rubles additions to working capital, making a grand total of approximately 970,000,000 gold rubles, of which 324,000,000 gold rubles will be devoted to new work and 646,000,000 gold rubles to reconstruction. As the country's industries have about 466,000,000 gold rubles of their own to meet these requirements, it will be necessary to extend a total of 504,000,000 gold rubles in loans. In addition to these capital expenditures for industry, 236,000,000 gold rubles will have to be disbursed for transports, 290,000,000 gold rubles for housing construction, 125,000,000 gold rubles for other construction, and 301,000,000 gold rubles for agriculture, making 1,922,000,000 gold rubles altogether, of which 520,000,000 gold rubles will be included in the Federal budget.

Labor Productivity and Wages

With regard to labor productivity and wages, the report assumes that the number of workers employed by all reporting industries will increase by 21 per cent. In the industries controlled by the Supreme Council of National Economy it is expected that the output of the individual worker will increase by 15 per cent during 1925-26, as against the increase of 40 per cent effected in 1924-25, thus bringing it up to 98 per cent of the pre-war standard, as compared with the level of 85 per cent attained during 1924-25. In the remaining industries a considerably smaller advance in labor productivity is expected. The average increase in the output per worker will amount to 10 per cent for Soviet industry as a whole. The money value of the individual worker's output will not augment, since it is planned to make a proportionate reduction in the prices of industrial goods. The largest increase in labor productivity is proposed in the case of the most backward branches, i.e., the metal and mining industries.

On the average, the monthly wages of the industrial worker during 1925-26 will rise to 48 gold rubles from their level of 41.5 gold rubles in 1924-25. Real wages, based on the worker's budget index, will go up from 17.6 commodity* rubles in 1924-25 to 22.5 commodity rubles in 1925-26. The nominal wages will therefore in-

crease by 16 per cent, while the real wages will advance 25 per cent. If the allowance made for rent is excluded, the rise in nominal wages will amount to 8 per cent and that of real wages to 19 per cent.

Budget and Money Circulation

In discussing monetary circulation and credit, the report estimates that the Federal budget for 1925-26, after allowing for deductions from taxes for local needs, for the cost of coining and printing money, and for peasant loan bonds turned back to the Treasury in payment of the agricultural tax, will total 3,400,000,000 gold rubles, as against 2,500,000,000 gold rubles for 1924-25.

The annual average of loan and discount operations for 1925-26 is forecast at 2,850,000,000 gold rubles, as compared with 1,420,000,000 gold rubles in 1924-25. The mean annual figure for deposits and current accounts is set at 1,733,000,000 gold rubles for 1925-26 in comparison with 811,000,000 gold rubles for 1924-25.

Soviet Finances

EARLY in August Mr. N. P. Briukhanov, Acting People's Commissar for Finances of the Soviet Union made the following statement to a representative of an American telegraph agency who inquired about the domestic loans floated in the Soviet Union:

The sale of the First Lottery Loan was completed back in 1924. The bonds were issued in small denominations for a total of 100,000,000 gold rubles and about half of them were purchased by workers and clerks. This loan was issued at a time when the Soviet Union was still constrained to carry on a vigorous struggle to balance the Federal budget and rehabilitate monetary circulation. The trade unions lent their support to the Government in disposing of the loan among workers and clerks. Part of the loan was distributed among the well-to-do strata of the population according to a system of compulsory subscription based upon a special legislative decree, a procedure rendered necessary by the grievous financial situation then prevailing, from which it was the Government's aim to emerge within the shortest possible period.

The Second Lottery Loan was distributed during 1924 on the same compulsory basis. However, in February of 1925 the Government discontinued obligatory subscriptions for these bonds, since the condition of the Federal budget already enabled it to dispense with this procedure. From that moment the Soviet Union's policy of State credit entered upon the normal and cus-

*The "commodity ruble" is not a new kind of currency; it is a unit which was formerly adopted for the purpose of computing wages. It represents the purchasing value of the gold ruble before the war.

tomary course of floating loans through the banks and the stock exchange. The sales of the Second Lottery Loan amounted to about 70,000,000 gold rubles, so that the two lottery loans combined brought 170,000,000 gold rubles into the Treasury, on which sum the State pays 6 per cent interest annually, plus about 2 per cent in lottery prizes.

The bonds of the First Lottery Loan are now quoted at 70 per cent of par, while those of the Second Lottery Loan stand at 80 per cent. The higher quotations on the latter are due to the fact that its redemption begins earlier than that of the first loan.

Among the State loans there is one other lottery loan—the Peasant Loan of 1924, which was issued in very small denominations and is especially adapted to the requirements of the rural population because the bonds can be applied to the payment of the single agricultural tax. From the very beginning this loan was distributed only on the usual voluntary basis and the peasantry subscribed to it very willingly. The amount of this peasant issue is 50,000,000 gold rubles, so that altogether the Soviet Union's lottery loans constitute 220,000,000 gold rubles.

Noteworthy among the other credit operations of the Soviet Union are the 8 per cent Gold Loan, which serves principally as an investment medium for the capital reserves of the State industrial and trading enterprises, and the short-term obligations of the central treasury of the People's Commissariat for Finances, representing the Treasury's current debt. There is a firm demand for these debt obligations, partly in the form of three-month notes, but mostly six-month notes, so that the Treasury easily disposes of new obligations to replace those coming up for redemption.

The large new credit operation which the Government is preparing to carry out, is the 300,000,000 gold ruble Reconstruction Loan. This is the largest of the credit operations undertaken by the Soviet Union up to this point. The loan is not being issued to cover a budget deficit, at least not in the customary sense of the word. The object of floating it is to increase the basic capital of the State enterprises in the most important branches of national economy. The circumstance that the attraction of new basic capital in the Soviet Union is effected through the agency of a State loan, springs from the essential structure of Soviet economic life, specifically from the fact that the country's largest enterprises constitute the property of the State coupled with the fact that their management is centered in the hands of the Governmental authorities.

It is planned to issue the loan with interest at 10 per cent per annum, since under the present situation of the money market in the Soviet Union it would be difficult to attract such a large volume of funds at lower terms. The loan will be floated

in large denominations of 10,000 gold rubles, as only the major State organizations and enterprises are expected to purchase the bonds. The issue will not be a lottery loan, since the terms guarantee the possibility of disposing of it without such a supplementary incentive.

The conferences which the People's Commissariat for Finances has had with the principal Soviet banks, show that the successful distribution of this loan is assured during the course of autumn and winter in the fiscal year 1925-26.

Currency Circulation on August 1, 1925

The volume of currency circulating in the Soviet Union on August 1 aggregated 915,474,200 gold rubles. This total consisted of the following monetary categories: bank-notes issued by the State Bank—505,370,300 gold rubles, constituting 55.2 per cent of all the money in circulation; Treasury bills—273,543,800 gold rubles, forming 29.9 per cent of the total; silver coin—120,365,600 gold rubles, equivalent to 13.2 per cent of the total; copper coin—5,582,800 gold rubles, making up 0.6 per cent; and small change paper tokens—10,311,700 gold rubles, amounting to 1.1 per cent. During the month of July the monetary mass increased by 69,061,500 gold rubles, or 8.2 per cent.

The various kinds of money underwent the following changes in July: the quantity of bank-notes of the State Bank in circulation grew by 45,240,100 gold rubles, or 9.8 per cent; Treasury bills increased by 15,825,500 gold rubles, or 6.1 per cent; silver currency by 8,705,700 gold rubles, or 7.8 per cent; and copper currency by 546,100 gold rubles, or 10.8 per cent. The amount of small change paper tokens in circulation decreased by 1,255,900 gold rubles, or 10.9 per cent. In the course of July the volume of all Treasury media in circulation (treasury bills, silver and copper coin, and small change paper tokens) grew by 23,821,400 gold rubles, or 6.2 per cent.

Total Resources of Soviet Banks on June 1

On June 1 the total resources of the State Bank and the six most important commercial banks, i.e., the Industrial Bank, the Bank for Foreign Trade of the Soviet Union, the All-Russian Co-operative Bank, the Moscow City Bank, the Electro-Bank, and the Central-Asiatic Bank, amounted to 3,609,000,000 gold rubles, an increase of 7.5 per cent over the corresponding figure on May 1, when the total resources amounted to 3,356,900,000 gold rubles.

The Bank for Foreign Trade of the U.S.S.R.

For the period from October 1, 1924 up to July 1, 1925 the total resources of the Bank for Foreign Trade increased from 65,252,000 gold rubles to 115,556,000 gold rubles, i.e. by 77.1 per cent. The current accounts and deposits increased from 19,161,000 gold rubles to 25,132,000 gold rubles or by 31.4 per cent. The indebtedness of the bank to

the State Bank of the Soviet Union has decreased from 9,550,000 gold rubles to 8,588,000 gold rubles; this indebtedness constitutes at present 7.4 per cent of the total balance sheet while on October 1 this amount constituted 14.6 per cent.

The total amount of loan and discount operations increased from 38,720,000 gold rubles to 73,033,000 gold rubles, or by 88.6 per cent. From 85 to 92 per cent of the entire indebtedness under loan and discount operations falls to the share of the organizations doing business on foreign markets.

The number of money transfers from abroad received during the period accounted for was 123,428 for the total amount of 18,267,000 gold rubles.

On July 1, 1925 the resources of the branches constituted 27.2 per cent of the total resources of the bank as against 15.2 per cent of the total resources on October 1, 1924.

Bank for the Establishment of Jewish Farming Settlements

The Committee for the establishment of Jewish farming settlements has submitted to the Agricultural Bank a project concerning the organization of an agricultural credit society under the name of the "Bank for the Establishment of Jewish Agricultural Settlements in the U.S.S.R." The capital stock of the bank is to be 1,200,000 gold rubles. The bank is to be organized according to the same system as the agricultural credit societies, except that it has the right to attract foreign resources. Prior to the organization of the bank the Central Agricultural Bank is to advance credits to the amount of 600,000 rubles for the purpose of furthering Jewish agricultural colonization in U.S.S.R. Loans out of these credits are to be advanced both to collective enterprises and to individuals.

The Moscow Narodny Bank Limited

The turnover of the Moscow Narodny Bank, Ltd. in London, during the first six months of 1925 shows the amount of £50,418,087, an increase of 110 per cent over the figure for the first six months of the preceding year. The total resources of the bank on June 30 amounted to £3,289,021, as against £2,391,629 on January 1 of the current year, an increase of 37.53 per cent. The capital stock has increased by £50,000 in the course of the first six months due to paid-up subscriptions for the second issue of shares, and constituted 10.64 per cent of the total resources on June 30.

Current accounts and deposits on June 30 show an amount of £848,796 as against £811,313 on January 1, 1925. Resources drawn from other banks amounted to £780,314 as against £331,586 on January 1. Foreign capital constitutes 75.9 per cent of the total resources of the bank.

In the course of the six months £604,949 were advanced as loans against goods, while £238,007 were advanced against drafts of Russian cooperative organizations. The total amount of the credits advanced by the bank to cooperative organizations during the period accounted for was £7,482,619, an increase of 245.3 per cent as compared with the credits advanced during the first half of 1924.

Transactions in Securities and Foreign Exchange

The Presidium of the Central Executive Committee of the Soviet Union has ratified a decree authorizing transactions in government and private securities, including foreign, which are admitted for circulation in the Soviet Union; these operations may be effected both on and outside of the stock exchanges. Transactions in foreign currency are also authorized. State enterprises and cooperative organizations whose by-laws do not provide for such transactions may engage in these operations provided they obtain a permit from the Special Currency Council attached to the People's Commissariat for Finances of the U.S.S.R.

The proffer and acceptance of payments in foreign currency is prohibited except in cases where the terms of the transaction provide for such settlement. Foreign trade transactions with establishments and enterprises situated abroad are also exempted from this rule.

FINANCIAL STATEMENT

of the

Issue Department

of the

SOVIET STATE BANK

on August 16, 1925

Assets	Chervontzy
Gold (coin and bullion)	16,737,541
Platinum (bullion)	2,369,779
Foreign Bank Notes (at rate of £—9 rubles and \$1—1.94 rubles)	4,685,265
Drafts in Foreign Currency for the total am't of 188,460 cherv., less regular discount.	169,614
Discounted bills in chervontzy 51,057,700 less regular discount	45,951,934
Securities covering advances on goods 95,- 407 less regular discount	85,867
Total	70,000,000
Liabilities	Chervontzy
Notes transferred to State Bank	69,450,000
Balance to which notes may still be issued..	550,000
Total	70,000,000

70,000,000 chervontzy equal 700,000,000 gold rubles.

Soviet Foreign Trade

DURING the fiscal year 1924-25, in conjunction with the general advance of the country's economic life, the Soviet Union's foreign trade has displayed a marked progressive movement. The rapid industrial development has entailed larger supplies of equipment and auxiliary materials; the extension of agricultural activity has made it necessary to furnish the peasantry with more farming machines, tools and implements; and so forth. In addition to this, the expanding capacity of the country's domestic market has required a larger volume of staple consumption goods to meet the demand. All these factors have brought about a marked rise of the foreign trade turnover, as shown by the following table, based upon figures compiled by the People's Commissariat for Foreign Trade giving the gold ruble value of imports and exports* for the first three quarters (October 1, 1924 to June 30, 1925) of the current fiscal year, as compared with the corresponding period of the previous fiscal year:

	3 Quarters of 1924-25 Gold Rubles	3 Quarters of 1923-24 Gold Rubles	% Ratio of 1924-25 to 1923-24
Imports	499,597,000	272,779,000	183.2
Exports	389,691,000	392,130,000	99.4
Turnover	889,288,000	664,909,000	133.7

Accordingly, as the above figures show, the Soviet Union's foreign trade turnover increased by 33.7 per cent for the first nine months of the fiscal year 1924-25 as compared with the same part of the foregoing fiscal year, while the country's imports grew by 83.2 per cent.

The next table illustrates the increases in the importation of individual production commodities (raw materials, semi-finished products, and machinery) during the first three quarters of the present fiscal year, all values being calculated in gold rubles at current prices:

	Imported during 3 Quarters		% Ratio of 1924-25 to 1923-24
	1924-1925	1923-1924	
Cotton	80,162,000	61,248,000	130.9
Raw Hides	8,907,000	3,432,000	255.8
Tanned Hides ..	11,149,000	5,193,000	214.7
Tanning			
Materials	5,516,000	2,959,000	186.4
Chemicals	10,902,000	7,388,000	147.6
Paper and			
Cardboard	14,511,000	7,404,000	196.0
Wood Pulp	5,440,000	1,741,000	312.5
Farm Machines			
and Tractors .	17,570,000	3,377,000	520.3

These statistics show that the largest increase, 420.3 per cent, occurred in the imports of agricul-

*This table includes also the preliminary figures for exports and imports across the Asiatic frontier; hence the totals are larger than the corresponding figures given in the previous issue of the "Russian Review" which referred to Soviet foreign trade across the European frontier only.

tural machinery and tractors, followed by raw materials and semi-manufactured products, such as wood pulp, with an increase of 212.5 per cent, raw hides with 155.8 per cent, and tanned hides with 114.7 per cent.

Hand in hand with the increase in Soviet imports of raw materials, semi-finished products and machinery went an advance in the importation of consumption commodities, as the following figures for the nine-month period in question demonstrate (in gold rubles):

Commodity	Imported during 3 Quarters		% Ratio of 1924-25 to 1923-24
	1924-1925	1923-1924	
Sugar	28,615,000	189,000	15,140.0
Tea	9,776,000	6,735,000	145.2
Herrings	9,512,000	2,285,000	416.3
Rice	10,781,000	5,433,000	198.4

Turning to an examination of the Soviet Union's exports, it must be observed that the country's export trade has proceeded under rather unfavorable conditions during the current fiscal year. Due to the partial crop failure of 1924 the exportation of grain was reduced to extremely slight proportions. During the first three quarters of the present fiscal year Soviet grain exports aggregated only 15,576,000 gold rubles in value, as against 177,204,000 gold rubles for the corresponding part of the previous fiscal year. Despite this the total value of the country's exports during the period in question suffered no appreciable shrinkage (0.6 per cent). The decrease in grain exports was compensated by the larger exports of raw and semi-manufactured materials rendered possible as a result of the fact that the country's agriculture began to turn out a larger proportion of products which are in great demand on foreign markets, bringing about an increase in butter production, flax growing, fowl raising, and other divisions of intensive agriculture.

The commodities listed below showed the largest export increases during the initial nine months of the current fiscal year:

	Exported during 3 Quarters		% Ratio of 1924-25 to 1923-24
	1924-1925 Gold Rubles	1923-1924 Gold Rubles	
Butter	11,756,000	5,409,000	217.3
Eggs	15,799,000	6,253,000	252.7
Flax and			
Flax Tow	50,639,000	20,284,000	260.3
Hemp	3,798,000	1,148,000	330.8
Vegetable Oil			
and Seeds	20,635,000	9,544,000	216.2
Furs	50,689,000	35,436,000	143.0
Petroleum	48,827,000	28,825,000	169.4
Bristles	11,955,000	2,742,000	436.0

As the foregoing figures indicate, the increased exports of raw materials during the current fiscal year have been accompanied by larger industrial exports in consequence of the expansion of certain branches of industry.

Despite considerable progress in the export field, the augmentation of imports in connection

with the growth of industry and the expansion of the domestic market has caused an adverse balance in the Soviet Union's foreign trade for the present fiscal year. However, the resumption of grain exports definitely promised by the good crop condition this year, together with the enlarged exports of raw materials and semi-manufactured products, assures a favorable foreign trade balance during the forthcoming fiscal year 1925-26. At the same time the expansion of Soviet exports along with the growing demand for import goods on the part of the domestic market and the country's industries, coupled with the adequate accumulation of currency effected since the introduction of the monetary reform, renders possible further rapid increase in Soviet import trade.

Share of Cooperative Organizations in the Soviet Union's Foreign Trade

According to the data of Customs statistics the share of the cooperative organizations in the foreign trade of the Soviet Union for the first half of the fiscal year 1924-25 (October 1, 1924 to March 31, 1925) is expressed by the following figures at current prices:

	Quantity in Tons	Value in Gold Rubles
Total Soviet Exports.....	1,909,738	230,982,000
Exported by Cooperatives.....	52,295	33,026,000
Per Cent Exported by Cooperatives		14.2
Total Soviet Imports	550,465	233,134,000
Imported by Cooperatives.....	36,485	10,767,000
Per Cent Imported by Cooperatives		4.6
Total Soviet Foreign Trade Turnover	2,460,203	464,116,000
Cooperative Foreign Trade Turnover.....	88,780	43,793,000
Per Cent of Foreign Trade Turnover done through Cooperatives		9.4
Principal Cooperative Exports:		
All Foodstuffs, except Grain...	3,972	4,590,000
Timber Products	20,473	677,000
Furs	167	4,766,000
Flax and Hemp	19,603	16,247,000
Other Goods	8,080	6,746,000
Total	52,295	33,026,000
Principal Cooperative Imports:		
Industrial Equipment and Machinery	853	897,000
Industrial Raw Material and Semi Manufactured Products	2,734	1,563,000
Materials and Manufactured Products for Agriculture..	5,902	1,835,000
Materials and Manufactured Articles for Roads and Communication	8	1,000
Hygienic, Medicinal, and Sanitation Goods	0.1	1,000
Edibles and Delicacies.....	26,799	6,094,000
Personal Requisites.....	129	313,000
Other goods	60	63,000
Total	36,485	10,767,000

The Kara Expedition of 1925

On July 26 a number of river boats left Omsk for Novy Port in the Gulf of Ob, and not later than August 1 a similar caravan of river boats was to leave for Ust-Yeniseisk from the upper reaches of the Yenisei River. By the middle of August the boats were to be met by sea-going steamers coming from England through the Kara Sea to the northern shores of Siberia to exchange industrial articles against Siberian raw materials. The total freight of the expedition amounts to 814,885 poods with 374,885 poods exports and 440,000 poods imports. In addition to the State Trading Bureau of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) other organizations took also part in the expedition, such as "Centrosoyuz" (Central Union of Consumers' Cooperatives) with 50,000 poods of import goods, and "Arcos" of London, exporting from Siberia 900 standards of timber. The commercial turnover of the expedition has increased considerably as compared with last year, the value of the goods imported this year by the State Trading Bureau amounting to over 5,000,000 gold rubles, while the corresponding amount last year did not exceed 2,700,000 gold rubles.

The following goods were exported from Siberia: sawed timber, wool, untanned hides, horse hair, oil cake and flax. The imports from England, Germany and America included the following items: chrome and kid leather, finemerino wool, worsted cotton and wool yarn, cotton, celluloid, haberdashery, stationery, news print and book paper, metal instruments, machinery and spare parts, chemical and pharmaceutical articles, etc. All the imports will be distributed among the organizations of Siberia, the Kirghiz Republic (Kazakistan) and the Ural Region.

Imports of Agricultural Machinery

The United States is now supplying nearly half of the agricultural implements and machinery imported into the Soviet Union, including virtually all of the tractors.

According to official figures of the customs authorities, imports of agricultural implements and machinery for the first eight months of the current fiscal year, October 1, 1924, to June 1, 1925, aggregated \$9,628,000, of which the value of imports from the United States was \$4,132,000. Germany was second on the list with goods valued at \$1,954,000. Tractors imported amounted to \$1,960,000 of which the imports from the United States amounted to \$1,936,000.

Soviet Match Exports

Before the war Russia produced 3,500,000 cases of matches. Between 1918 and 1923 the annual output of matches shrank to 1,000,000 cases. During the fiscal year 1924-25 the manufacture of matches in the Soviet Union underwent a rapid

development, expanding to 3,100,000 cases. It is expected that in 1925-26 the output will be increased to 4,000,000 cases. The Soviet Union possesses forty match factories altogether and they are now running at full capacity.

The foreign demand for Soviet matches is increasing. A first order for 50,000 cases has been received from England, and America has placed one for 10,000 cases. Many orders are being received from the Near-Eastern countries, especially from Syria, Egypt, Palestine, Turkey, and Greece. During the fiscal year 1924-25 the Soviet Union has exported 1,400,000 gold rubles' worth of matches, as compared with Russian match exports of 1,200,000 rubles in 1913.

Progress of Oil Exports

During the first ten months of the current fiscal year (1924-25) 65,900,000 poods of oil products were exported, i. e., 78 per cent of the annual program. This quantity exceeds by 103.6 per cent the corresponding total of the preceding fiscal year 1923-24 and is larger than the total annual export figure for 1913. It is expected that the annual program will be fully executed.

Export of Oil to Persia

In the course of eight months in the current fiscal year the Soviet-Persian mixed company "Persazneft" exported to Persia over 26,670 tons of oil products thus covering 75 per cent of Persia's oil requirements.

Export of Coal to Italy

According to an agreement concluded between the Coal Export Bureau "Exportugol" and a number of Italian firms 540,000 tons of soft coal and anthracite mined in the Soviet Union are to be exported to Italy in the course of the next three years, 180,000 tons to be shipped this year from the port of Mariupol.

Domestic Trade of U. S. S. R.

ACCORDING to the data of the Economic Administration of the People's Commissariat for Domestic Trade the income of the peasantry has been estimated at 2,958,600,000 rubles. After the payment of the agricultural tax and the deduction of 10 per cent for peasant savings and other monetary expenditures not connected with the purchase of goods, the resources of the peasantry which can be used for the purchase of goods constitute 2,285,800,000, having thus increased by 40 per cent as compared with the preceding year.

On the basis of the above data the potential capacity of the peasant market in 1925-26 with regard to the most important industrial articles has been put by the Economic Administration of the People's Commissariat for Domestic Trade at

the amount of 1,868,500,000 gold rubles according to the prevailing retail prices. This amount is expected to be distributed as follows among the various industrial articles: cotton textiles—27.2 per cent; shoes and leather—15.3 per cent; sugar—13.5 per cent; metal articles—9.8 per cent; agricultural machinery—5.7 per cent; salt—3.7 per cent; kerosene—2.1 per cent; tobacco—1.2 per cent; "makhorka" (cheap tobacco)—2.1 per cent; matches—1.3 per cent; sundry—18.1 per cent.

The capacity of the urban market concerning the above mentioned classes of industrial products has been put at 1,799,600,000 gold rubles. Thus the total capacity of the domestic market concerning industrial articles can be expressed by the following figures: Peasant market—1,868,400,000; Urban market—1,739,600,000; total 5,668,000,000 gold rubles.

Enlarged Demand for Agricultural Machines

During recent years the demand for agricultural machines has grown markedly in the Soviet Union. Thus, the sales of machines effected by the agricultural warehouses of the People's Commissariat for Agriculture amounted to 5,200,000 gold rubles for the period extending from October 1, 1924, to March 1, 1925. By May 1, 1925, this total had increased to 14,200,000 gold rubles and by July 1 of the same year it had reached 25,100,000 gold rubles.

The special terms offered on agricultural machines and the prospects of a good harvest have stimulated the peasantry's need of replenishing their farming apparatus. The largest demand for agricultural machinery and implements was recorded for Siberia, where the orders totaled 9,000,000 gold rubles, and in the Northern Caucasus, where they amounted to 5,000,000 gold rubles, followed by Kirghizia, the Ural, and the Volga region, each with 2,000,000 gold rubles.

Right to Firm-Name

The Council of People's Commissars of the Russian Socialist Federated Soviet Republic (i. e., Soviet Russia proper) recently approved and submitted for confirmation to the central legislative bodies of the Soviet Union a measure defining the rights to firm-names.

Under this measure the right to the firm-name is enjoyed exclusively by the owner of the enterprise. Any one possessing the right to a firm-name may demand the cessation of the employment of an identical or similar firm-name for a like enterprise on the part of other persons, provided that the former's right to the firm-name arose prior to that of the other persons, and provided that the identity or similarity of the firm-names leads to their confusion. In addition to this, the possessor of the firm has the right to demand indemnification from such other persons for losses caused by the existence of the similar firm-names.

The right to the firm-name arises the moment the enterprise is registered, or, in the absence of registration, the moment the requisite trading license is taken out in the name of that firm.

The measure prohibits the use of firm-names which belonged to owners of nationalized enterprises up to the time of their nationalization. This debarment also applies to the former possessors of nationalized enterprises.

Industrial Progress

THE total number of workers employed in the ten leading industrial branches in the Soviet Union was 1,183,360 during the fiscal year 1923-24, while it has been 1,349,535 for the present fiscal year 1924-25, and is expected to be 1,613,240 for the forthcoming year 1925-26.

The following figures show the changes in the labor force in the two principal branches of industry: textile industry—379,598 in 1923-24, 493,596 in 1924-25, and an estimate of 571,764 for 1925-26; metal industry—196,713 in 1923-24, 246,173 in 1924-25, and a forecast of 320,000 for 1925-26.

The aggregate number of workers employed in the Soviet Union's industries during the forthcoming fiscal year 1925-26 is expected to be about 35 per cent above the total for 1923-24.

July Petroleum Output in Baku Field

Petroleum production in the Baku field for July amounted to 26,240,000 poods, which is 3,725,000 poods higher than the total for the same month of the preceding fiscal year, while new drilling aggregated 6,774 sazhens (one sazhen equals 7 feet) as compared with 3,340 sazhens for July, 1924.

Due to the stoppage of 100 new deep pumps in July, only 648 pumps were in operation at the wells during this month.

Southern Ore Industry

During the current fiscal year the output of the southern ore industry in the U.S.S.R. will total 1,170,000 tons as against 430,000 tons for the preceding year. Reconstructive work is proceeding at a normal pace and the ore industry in the southern part of the country will be completely restored by the end of the fiscal year 1927-28.

Aldan Gold Trust Organized

A recent decision of the Council of Labor and Defense of the Soviet Union authorized the formation of the Aldan Gold Trust, known as the "Aldan-Zoloto." The administrative organs of the Yakutsk Autonomous Soviet Socialist Republic will participate actively in the work of the enterprise. The trust is of Federal scope.

The new town of Aldansk is being laid out on the left bank of the Aldan River in Eastern Siberia. It is being built according to a plan based upon the garden-city type. The population in the Aldan gold fields is growing rapidly. In October, 1923, the inhabitants numbered only 350. Within a year the population had grown to 3,700 and it is now 12,000. There are 8,000 persons located at the mines themselves.

Production of Asbestos

Production of asbestos in the Soviet Union for the current fiscal year ending September 30 will be about 10,000 tons, or about half of the pre-war output. Production last year was 3,300 tons. About a third of the asbestos produced this year has been consumed in the home market, the rest being exported.

Output of the Rubber Trust

During the first 6 months of 1924-25 the total output of the Rubber Trust reached 9,582,997 kilograms, the value of the output being 47,644,497 gold rubles at the average market prices of 1925. During the preceding year the output of the Trust amounted to 5,432,525 kilograms valued at 22,912,171 gold rubles according to the prices of 1925.

Growth of Soviet Canning Industry

The output of the Soviet Union's canning plants for the current year totals 461,380 poods, valued at 5,000,000 gold rubles.

A special conference on the reconstruction of the canning industry's basic apparatus has drawn up plans for the construction and equipment of new plants in Daghestan, the Kuban, the Crimea, Siberia, and Odessa.

Five-Year Plan for Developing Soviet Glass Industry

The five-year plan recently elaborated for the development of the Soviet Union's glass industry calls for the construction of six new window glass factories, two factories for the production of assorted glass, and three plants to turn out special glass articles, such as insulators, mirrors, etc. The five glass factories now in existence are to be placed on a machine basis through the installation of American machines of the Lynch type.

The cost of building all the factories in question will be 65,500,000 gold rubles. By the end of the fiscal year 1929-30 the output of these plants will not only repay the construction expenses, but it is also expected that they will yield a profit of 9,200,000 gold rubles.

Funds for Electrification and Electric Construction

The Council of People's Commissars of the Soviet Union has confirmed the tentative figure of 60,000,000 gold rubles for electrification and electric construction during the fiscal year 1925-

26, beginning October 1, 1925. This constitutes 1.7 per cent of the total of 3,560,000,000 gold rubles in the next fiscal year's budget for the entire Soviet Union. As compared with the appropriation made for electrification and electrical construction during 1924-25, the figure for 1925-26 is 18,000,000 gold rubles, or 43 per cent higher.

The tentative allotment of 60,000,000 gold rubles for the coming fiscal year is to be distributed as follows: 33,200,000 gold rubles for completing operations of prime necessity in regional electrification, among these being the following specific appropriations—4,000,000 gold rubles for the Shaturi Power Station, 1,500,000 gold rubles for the Kashira Power Station, 2,500,000 gold rubles for the Red October Power Station, 4,000,000 gold rubles for the Shterov Power Station and the erection of a system of local power stations of the Donets Basin, 1,700,000 gold rubles for the Nizhni-Novgorod Power Station, 1,000,000 gold rubles for the Kizelovsk Power Station, and 18,500,000 gold rubles for the Volkhovstroy Power Station. The latter item constitutes 56 per cent of all the funds appropriated for the completion of electrification work of prime necessity and 31 per cent of the entire allotment for electrification during the forthcoming fiscal year.

Situation of Soviet Agriculture

THE fundamental factor determining the development of agricultural production is the extent of the sown area, whose increase for the Soviet Union as a whole constitutes 4 per cent this year as against 7 per cent last year.

The Central Agricultural Area, the Northern Caucasus, the Lower Volga region and the Ukraine show a decrease in the winter rye area counterbalanced by an increase in the sowings of winter wheat, with a resulting transition to a larger volume of marketable grain.

On the whole, despite the slackening of the expansion of the spring crop area in consequence of the crop failure of 1924, the abundant harvest of 1925 makes it possible to record an increase of grain production.

In the regions with a slight extension of the sown area, ranging from 3 to 6 per cent, energetic development is noticeable with respect to industrial material and intensive crops, such as maize (57 per cent increase), sunflower seed (18 per cent increase in the Ukraine), and also flax, especially in the Viatka region (25 per cent increase), in the central industrial area (24 per cent increase), and in the western regions (17 per cent increase). The potato area has enlarged only in the industrial zones, while sowings of grasses have increased 32 per cent for the entire Soviet Union in 1925, which indicates an emphatic de-

velopment of farming economy in the direction of the more marketable crops and a trend toward the utilization of fields for the production of grasses.

Live-stock raising shows a general advance of 4 per cent with regard to cattle, the individual increases amounting to 1.3 per cent for cows and 11 per cent for calves, accompanied by declines of 1 per cent for sheep and 15 per cent for hogs.

Certain regions, especially those catering to the foreign market, display a sharp advance in the number of calves above one year old, a fact which points to keen desire on the part of the peasants to prepare for an extension of the milch herds.

With reference to hog raising, the current year reveals a considerable setback, constituting from 10 to 15 per cent for the good crop provinces and from 25 to 32 per cent for the poor crop provinces, entailing a decrease in the output of pork (from 40,500,000 poods down to 36,500,000 poods).

The average sheep raising situation throughout the Soviet Union may be considered stationary, notwithstanding increases in the principal sheep breeding regions: 10 per cent advance in Kirghizia, 5.5 per cent in Siberia, and up to 20 per cent in the Crimea.

An increase in the horse herds is noted in the main horse raising regions: 1.5 per cent in the Ural, 4 per cent in Siberia, and 5 per cent in Kirghizia. This growth is still insufficient to cope with the total demand for horse stock in the Soviet Union.

As characteristic of the general crop condition for the current year must be noted the fact that the average yield of the five leading grain crops throughout the Soviet Union will amount to 53 poods per dessiatin, as against 41 poods in the year 1924.

As regards the other crops, increases may be expected in the case of flax (from 13,700,000 poods to 15,100,000 poods), hemp (from 16,600,000 poods to 17,900,000 poods), and sugar-beets (from 350,000,000 poods to 351,000,000 poods), with an average crop in the case of grasses.

Under these circumstances the value of the Soviet Union's gross agricultural output for 1925 will be 9,267,000,000* gold rubles at pre-war prices, as compared with 7,800,000,000 gold rubles for 1924 on the same price basis.

The proportion of agricultural production available for trade has increased hand in hand with the development of agricultural economy, having constituted 25 per cent of the gross output in 1923 and 27 per cent in 1924, with a forecast of 31 per cent for 1925-26 as compared with 38.6 per cent before the war.

*According to the estimate of the Special Commission attached to the State Planning Commission the value of the gross agricultural output was placed at 9,150,000,000 gold rubles.

According to data issued by the Central Statistical Department on July 15 the Soviet Union's gregate crop will amount to 4,024,000,000* poods. Deducting between 310,000,000 and 330,000,000 poods for urban consumption and from 2,900,000,000 to 3,100,000,000 poods for rural consumption, together with 60,000,000 poods for other indispensable requirements, there remains a surplus of 250,000,000 poods for reserve stocks for the domestic market and between 270,000,000 and 440,000,000 poods available for export.

The following harvest totals were estimated for individual grains on August 19: rye—1,272,000,000 poods; wheat—1,100,000,000 poods; barley—365,000,000 poods; oats—620,000,000 poods; buckwheat—100,000,000 poods; millet—240,000,000 poods; and maize—273,000,000 poods.

In the case of flax a declining tendency is observable, but the Soviet Union's exports of this commodity during the current year are expected to total 5,400,000 poods as against 4,000,000 poods last year.

Agricultural Concessions

A Concessions Commission has recently been formed in connection with the People's Commissariat for Agriculture to conduct preliminary investigations of all questions relating to the award of concessions to foreigners in the form of parcels of arable land within the limits of the Russian Socialist Federated Soviet Republic (Soviet Russia proper). This Commission will also conduct preliminary negotiations with applicants for concessions.

The following parcels, all requiring irrigation farming, have been singled out by the Commission as among the first that are to be allotted under concession agreements: the Chuya Valley in Siberia with an area of 116,000 acres, the Iliysk Valley embracing 706,000 acres in Turkestan, the Abakan Steppe in Eastern Siberia containing 2,900,000 acres, the Kizlyar and Mozdok Steppes in the Caucasus with a combined area of 1,300,000 acres, the Manych Hollow embracing 2,600,000 acres, the Uzen and Kushum regions in the Southeast with 160,000 acres, as well as some parcels in the Ural. In addition to this, sectors requiring drainage operations have been set aside for concession purposes in the vicinity of the Azov Lowlands, where an area of 390,000 acres is available, and in the Volga-Akhtubinsk Valley, where the extent of the area has not yet been definitely delimited.

An area of about 2,600,000 acres is being set aside for special agricultural branches, such as saddle horse breeding, the raising of fine-wooled sheep, and cattle raising.

Besides the tillage lands, concessions are also

*On August 1 the aggregate grain crop for the entire Soviet Union was calculated at 4,176,000,000 poods.

being arranged for certain timber tracts, which, owing to the country's lack of free capital at the present time, cannot be exploited.

Among the agricultural concessions already concluded worthy of mention are the large tillage concession of 65,000 acres granted to Krupp in the valley of the Manych River, the area of 46,000 acres in the Kuban region awarded as a concession to the Deutsche Saatbau-Gesellschaft, and the concession allotted to the Bank of the Autonomous German Volga Republic, covering an area of 260,000 acres, of which 65,000 acres have been turned over to the Russo-German Seed Growers Company as a subconcession.

The Krupp concession is devoted mainly to grain cultivation, while the concession of the Deutsche Saatbau-Gesellschaft is engaged in the production of seeds.

The concessionary organizations carry on their operations in accordance with plans approved by the Concessions Committee. The output of the Krupp and Deutsche Saatbau-Gesellschaft concessions for the current year surpasses the minimum standards prescribed in the agreements.

A. A. Joffe Vice-Chairman of Chief Concessions Committee

On July 7 the Council of People's Commissars of the Soviet Union passed a decree appointing Mr. A. A. Joffe Vice-Chairman of the Chief Concessions Committee.

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Soviet Cooperative Movement in Figures

IN POINT of membership the Soviet Union's cooperative movement stands foremost amongst the national cooperative units of the world, embracing in its ranks 22,000,000 members out of the international total of 30,000,000.

In connection with the recent celebration of the International Cooperative Day the Soviet press printed figures illustrating the achievements of the Soviet Union's cooperative movement in its various branches. Some of these statistics are reproduced below.

Consumers' Cooperatives.—According to the latest data the consumers' cooperative movement in the Soviet Union includes 24,516 societies with 42,000 stores and 8,000,000 shareholding members.

It is estimated that the gross business turnover of the consumers' cooperatives for the current fiscal year ending October 1 will amount to not less than 3,000,000,000 gold rubles.

In comparison with the calendar year 1923 the number of cooperative stores has almost doubled, while the membership has increased by 80 per cent. Taking into account the entire population of the Soviet Union, non-cooperative as well as cooperative, there is approximately one consumers' cooperative store to each 3,400 persons, or to each 990 families.

Agricultural Cooperatives.—This division of the Soviet Union's cooperative movement counts 415 federations and 45,500 local agricultural cooperatives with an aggregate membership of 4,000,000 farms. In 1921 the entire system of agricultural cooperation embraced only 600 cooperative societies.

The average business turnover of the individual agricultural cooperative has expanded hand in hand with the increase in the total number of societies. From 3,000 gold rubles in 1923 the average business transacted by the individual local agricultural cooperative rose to 20,000 gold rubles at the beginning of the present year. In 1924 the gross business turnover of the entire agricultural cooperative system amounted to 619,000,000 gold rubles. On January 1, 1925, the agricultural cooperatives owned 11,000 agricultural enterprises, such as agricultural implement and machinery renting depots, seed cleaning stations, demonstration farms, seed farms, etc.

Home-Craft Cooperatives.—There are 11,000 home-craft cooperatives in the Soviet Union, embracing approximately 500,000 home-craft artisans. Last year the gross business turnover of this branch of the cooperative movement was no less than 200,000,000 gold rubles. The future development of home-craft cooperation has received a great impetus as the result of a number of government measures designed to liberate the artisans from superfluous restrictions, as well as

because of the radical change in the tax policy adopted with respect to the home-craft industries and the application of the same treatment to the mass of home-craft artisans as to the working population in general.

Credit Cooperatives.—At the opening of the current year there were in the Soviet Union 9,637 local credit cooperatives carrying on their work along the line of credit operations with the larger agricultural credit societies and the Central Agricultural Bank. On September 1, 1924, the total resources of the individual local credit cooperative were on the average about 17,000 gold rubles.

Timber Cooperatives.—On January 1, 1923, the membership of the local timber cooperatives in the Soviet Union totaled 64,900. By January 1, 1925, this figure had grown to 90,170. During the last three months of 1924 the number of cooperative timber "artels" increased by 6.5 per cent. The first half of the current year has witnessed a further growth of the timber cooperative movement, chiefly among the local organizations.

Housing and Building Cooperatives.—This phase of the Soviet Union's cooperative movement includes over 25,000 combined housing, building and renting societies with an aggregate membership of 12,000,000 persons and about 1,000 strictly building cooperatives. During the present year the building cooperatives have already constructed some 87,000 square sazhen of new living space.

The Russian Far East

IN virtue of a number of causes, such, for instance, as the absence of systematic planning, the lack of leadership, etc., agriculture has developed very slowly up to the present in the Far-Eastern Region. Nevertheless, the incalculable natural wealth of this area holds forth almost unbounded possibilities.

Agricultural organs constituted according to the Soviet system did not begin to take shape in the Far-Eastern Region until the year 1922. The administrative agricultural apparatus is now completely built up and the sphere of its activities embraces Transbaikalia, the Amur, the Maritime and Kamchatka provinces. Sakhalin Island, which forms part of the Far-Eastern Region, is also beginning to be served by these agricultural organs.

The territory of the Far-Eastern Region, exclusive of Kamchatka Province, has an area of 592,440 square kilometers, while Kamchatka Province embraces 1,140,739 square kilometers. This immense Far-Eastern Region has a total population of only 1,568,786, making an average of 1.02 persons per square verst for the area as a whole, with the much lower density of 0.03 persons per square verst for Kamchatka Province. With respect to nationality the population is made up of 950,000 Great Russians, 350,000 Ukrainians, 110,000 Koreans, 50,000 Chinese, and 50,000 members of

indigenous tribes, such as Golds, Orochens, Tunguses, Chukchis, and others. The principal occupations of the inhabitants are agriculture, fishing, and hunting. Only 54,000 persons are engaged in industry.

At the present time the fundamental factors in the economic life of the Far-Eastern Region are fish, timber, gold, and game. The annual catch of fish amounts to 20,000,000 poods. The output of gold is picking up, but the enormous gold mineral resources are as yet but slightly exploited. Furs continue to play an important role in the population's budget. Farming takes up 1,800,000 desiatins of land, or 9 per cent of the area that could be tilled.

As a result of the situation above outlined the problem of colonizing the Far-Eastern Region is now a vital one. The influx of new settlers would not only bring the unoccupied lands under cultivation, but it would also create favorable conditions for the development of industry.

The record for size of sown area and quantity of live-stock was established in 1917. In 1924 the sown area reached 70 per cent of the 1917 figure, although the plantings of the industrial material crops surpassed the 1917 sowings of the same category by 40 per cent. The live-stock herds are about as large as in 1917, and lately there has been a particularly active expansion of sheep and hog raising. The present aim of the agricultural administration is the extension of the sown area, especially with regard to plantings of industrial material crops, for which there is an assured demand on the foreign market. The economic strength of the farmers in the Far-Eastern Region is now considerably above that of the peasants of Central Russia, and the only thing needed is the introduction of a number of measures to put the farms on a rational up-to-date basis of operation.

Lately a marked growth has been observable in the Far-Eastern cooperative movement. At present 16.9 per cent of the farms in this territory are connected with the cooperatives. Altogether there are 451 cooperatives, of which 117 are agricultural credit societies, 175 "artels" and communes, 45 butter cooperatives, 7 agricultural improvement societies, 14 agricultural machine cooperatives, and 73 others. All these organizations are united into regional cooperative unions, whose aggregate capital is 1,000,000 gold rubles. The main task of the agricultural cooperative movement in the Far-Eastern Region is the purchase of the produce from the individual cultivators and the equipment of plants to handle and treat agricultural raw products. This is rendered imperative by the remoteness of the farms from the sales markets. The expansion of the agricultural cooperative movement is directly dependent upon the appropriation of funds by the central organization, since local financial resources are ex-

tremely inadequate. The Far-Eastern Agricultural Bank, it is true, is developing its operations with comparative success, but the shortage of funds prevents its from participating to a sufficiently large extent in the development of the region's natural wealth.

Development of the Credit System

Considerable progress may now be recorded for the development of the credit system in the Russian Far East.

During the eighteen-month period extending from October 1, 1923 to April 1, 1925 the number of branch banks increased from 14 to 35, i.e., two and a half times. The largest branch groups belong to the State Bank, which has 10, the Far-Eastern Agricultural Credit Bank ("Dalselkredit") also with 10, and the Far-Eastern Bank ("Dalbank") with 8, while the Industrial Bank ("Prombank") and the All-Russian Cooperative Bank ("Vsekobank") each have one branch in this territory. In addition to this there are two Lombard Houses, one mutual credit society (another is about to be opened), and two foreign bank branches, one belonging to the Chosen Bank of Japan, and the other to the Hongkong-Shanghai Bank, a British institution. The Maritime Province with 18 branches is the best supplied with banking facilities, followed by the Amur and Transbaikial Provinces, each having 8 branches.

In view of the small population in the region and the primary stage of its economic advancement, the banking system of the Far-Eastern Region may now be considered quite adequate for the needs of all the principal economic districts and urban centers.

The operative phase of the development of the credit system in the Far-Eastern Region is characterized, above all, by the growth of the total resources of the banks and the particularly rapid expansion of the total resources of the branches of the State Bank and the Agricultural Credit Bank. The total resources of all the banks operating in this area for the period under consideration, i.e., from October 1, 1923 to April 1, 1925, increased from 27,300,000 gold rubles to 66,100,000 gold rubles, representing an advance of 146 per cent. The total resources of the State Bank branches rose from 8,200,000 gold rubles to 28,400,000, an increase of 247 per cent, while the Far-Eastern Agricultural Credit Bank brought its total from 300,000 gold rubles up to 2,800,000 gold rubles, a rise of 932 per cent, and the resources of the Far-Eastern Bank went from 14,300,000 gold rubles to 29,100,000 gold rubles, an advance of 103 per cent. It is interesting to note that the Chosen Bank whose total resources amounted to 3,300,000 gold rubles on April 1, 1925, occupies third place in the credit system of the Far-Eastern Region after the State Bank and the Far-Eastern Bank.

Fishing Industry in the Far-Eastern Region

The Soviet territorial waters of the Far-Eastern Region cover a zone twelve miles wide stretching along a coast line 8,000 versts long. These waters teem with a rich and varied marine life. The following catches of the principal food fish in this region are made annually:

Kind of Fish	Actual Catch in Poods
Salmon	10,000,000
Herring	1,000,000
Codfish	2,000,000

In addition to this, 50,000 poods of pharmaceutical cod-liver oil are obtained each year.

At the present time the fishery resources of the Far-Eastern Region do not yield the income which they could bring in with the proper development of the fishing industry. The increase of canning enterprises possesses great importance for the Far-Eastern Region, as they could find an unlimited sale for their products on the European markets. However, the canning industry is but weakly developed in this territory. The average annual output of canned fish products amounts to 1,750,000 poods. The total annual fish production is valued at 40,000,000 gold rubles on the average.

The chief outlet market for this fish output is Japan, which acts not only as consumer, but also as middleman. The fish products shipped each year from the Far-Eastern Region to the domestic markets of the Soviet Union amount in all to 50,000 poods, worth about 1,500,000 gold rubles.

Japanese Capital in the Far-Eastern Region

The Yokohama Specie Bank, one of the most important banking institutions in Japan, has applied for permission to open a branch in Vladivostok.

Twelve Japanese firms in the timber industry have joined in the formation of the Far-Eastern Timber Trust and have a representative at Khabarovsk negotiating for timber concessions in the region of Soviet Harbor (formerly Imperial Harbor) in the Maritime Province.

Foreigners in the Soviet Union

SOME time ago, following an agreement with the plenipotentiary representative of the People's Commissariat for Foreign Affairs of the Soviet Union attached to the administration of the Russian Socialist Federated Soviet Republic (i.e., Soviet Russia proper) and with the People's Commissariat for Justice, the People's Commissariat for Public Education announced that in cases where it is necessary to establish guardianship in the Russian Socialist Federated Soviet Republic over a foreign citizen of minor age originating from a nation with which the Soviet Union is not in treaty relations, such guardianship shall be

exercised by the proper organs of the Russian Socialist Federated Soviet Republic.

In the event that the foreign minor is a citizen of a country which has recognized the Soviet Union de jure or stands in treaty relations with the Soviet Union, but the question of guardianship is not decided in the treaty, the guardianship may be effected by the representatives of the said government, either through its local, or in the absence thereof, through its nearest consular authority. If it has no local consul, the guardianship shall be executed by its diplomatic mission.

In both of the above-mentioned contingencies the local Departments of Public Education shall give notice of any foreign minor requiring guardianship through the local organs of the People's Commissariat for Foreign Affairs, at the same time adopting preliminary measures to protect the person and property of such minors.

If the representative of the foreign power declines the guardianship over his countryman, the guardianship shall be exercised by the local Department of Public Education, bringing this fact to the cognizance of the People's Commissariat for Foreign Affairs.

In cases where the question of guardianship is provided for in the treaty between the Soviet Union and the foreign government, the matter shall be decided in each instance on the basis of the treaty.

Right of Foreigners to Use Soviet Farm Lands

During the month of June, 1925, the Presidium of the Central Executive Committee of the U.S.S.R. confirmed a legislative measure introduced by the Council of People's Commissars of the Soviet Union granting foreigners the right to the personal utilization of farm land. The right to the personal use of land for farming purposes on the same basis as citizens of the Constituent Republics, is accorded to foreigners working for their living who reside on the territory of the Soviet Union and enjoy political rights in accordance with the Constitutions of the Constituent Republics.

In connection with the passing of this bill the Presidium of the Central Executive Committee recommended that the Central Executive Committees of the Constituent Republics make the requisite additions to their land codes.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 arshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 dessiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$514.
- 1 kopeck equals .01 of a ruble.
- 1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

Cultural Life in the Soviet Union

Central Publishing House for National Minorities of the U.S.S.R.

THERE are in the Soviet Union over a hundred different nationalities of various degrees of culture, beginning with the nomadic tribes of Northern Siberia and ending with Western European colonists.

Nevertheless the majority of these nationalities are rather backward, which is not to be wondered at, bearing in mind their downtrodden condition under the Tsarist regime.

It is the fixed national policy of the Soviets to foster the cultural and economic uplift of these backward nationalities. Among the numerous measures taken in this direction the publication of literature in the mother tongue of each nationality occupies a prominent place. The complex nature of such a task will become clear on recalling that it was the invariable systematic policy of Tsarism to crush the cultural development of the nationalities oppressed by it. Suffice it to say that some of these nationalities had no written literature at all. Others had their written literature created for them by missionaries, so that it contained nothing but specious propaganda of monarchism and the Greek Orthodox Church (e.g. the Mordvinians, the Mari, the Oirad tribes, etc.) Somewhat better situated were the Moslem nationalities which enjoyed the use of the Koran alphabet (Arabic), but their literature was chiefly of a religious and nationalist character. With few exceptions, there were no national publishing houses in pre-revolutionary Russia.

It was after the Revolution that a great many national publishing houses were founded. By far the largest and most important of them is the Central Publishing House of National Minorities maintained by the Central Executive Committee of the U.S.S.R. It publishes books in 37 languages (30 oriental and 7 occidental), to-wit: Kirghiz, Uzbek, Turkoman, Tadjik, Azerbaijan, Kara-Kirghiz, Bashkir, Turkish, Kara-Kalpak, Uighur, Persian, Chuvash, Mari, Mordvinian, Votyak, Komi, Oirad, Yakut, Ossetian, Ingush, Chechen, Kabardian, Circassian, Karachai, Balakar, Avar, Kumyk, Darghis, Kalmuck (Eastern group), Latvian, Polish, German, Yiddish, Lithuanian, Estonian, Finnish (Western group), while some of these languages have two dialects which are quite different from each other; e.g. Mordvinian (Erzyan and Mokshan dialects), Komi (Zyryan and Perm dialects), Mari (mountain and valley dialects), and so forth.

Notwithstanding this variety of languages used by the Central Publishing House, it still fails to cater to all the nationalities of the Soviet Union. Requests come for the organization of publishing sections for Bulgarians, Greeks, Moldavians,

Khakassians, Mongolian-Buryats, Kovians, Armenians, etc. It is quite probable that towards the beginning of 1926 the number of languages will have to be increased to 40 or 45. It should also be mentioned that many of the nationalities are supplied exclusively by the Central Publishing House. It may further be noted that in regard to the number of languages in which literature is published, the Central Publishing House stands quite alone not only in the U.S.S.R., but the world over.

The character of the work of the Central Publishing House differs markedly from the general run of Russian publishing enterprises. The latter merely publish books, whereas the former has to create them. The languages of the backward nations are very poor, with undeveloped terminology and without fixed orthography. The Central Publishing House has to take a most active part in solving these problems, even to the extent of producing new alphabets.

Bearing in mind all these difficulties, it is quite obvious that the publication of the first books in the Oirad, Kalmuck, or any of the North-Caucasian languages, constitutes a big event in the cultural life of the respective people.

In regard to the character of its publications, the Central Publishing House of the U.S.S.R. is as universal as that of the State Publishing House of the R.S.F.S.R. (Soviet Russia proper). However, it devotes its chief attention to school books, sociology, politics, and books for peasants. These constitute approximately 75 per cent of the total output of the non-periodical press of the Central Publishing House.

A word or two on the technical side of the undertaking. To publish literature in 37 languages, while using six different alphabets (Arabic, Mongolian, Latin, Gothic, Hebrew, Russian) with a multitude of supplementary characters, is an extremely difficult business. Entirely new types had to be cast for many of the languages. Another difficulty was the lack of compositors versed in the respective languages. It was only by founding a school for national compositors that the difficulty was at least partly overcome. When the new printing machinery and equipment ordered by the Central Publishing House arrives from abroad, there will be the highly peculiar spectacle of the most up-to-date machinery and technique combined with the literature of the most backward nations.

Production Councils in the Industries of the U.S.S.R.

ALL the largest factories and plants in the Soviet Union have Production Councils whose aim is to increase labor productivity and improve the quality of the output.

In order to achieve these aims, the Production Councils study the processes of labor in every branch of industry, and, on the basis of the data gathered, they endeavor to remedy all defects discovered and to introduce improved methods of production.

The Production Councils are organized by the factory committees and work under their direct guidance.

The activities of the Production Councils are shared by the widest circles of workers on the bench, who are enabled by their many years' experience to render tremendous aid to the Production Councils in the proper organization of production and in working out concrete plans in this respect.

In order to report all defects that may exist in the different factories, the workers are supplied with note-books, in which they put down any flaws noticed by them in the process of production, suggesting the appropriate remedies. The notes made by the workers are either handed in directly to the management or submitted to the Production Councils for preliminary consideration.

In many of the factories there exist auxiliary nuclei of the Production Councils in the shape of guild commissions on production. The organization of such guild commissions meets with a warm response among the workers, who at first take part in studying the work of their own guilds, and then of the whole enterprise. The suggestions made by the guild commissions are submitted to the Production Councils which outline the plans for the work of the different guilds in the immediate future.

Large masses of the workers become interested in the operation of the factory and are attracted to direct participation in the organization of production, solely through the guild commissions, in which questions of immediate interest to the workers are discussed.

The Production Councils have been working for a whole year, and the results are tremendous. The workers in many enterprises have become deeply interested in the processes of production and in the question of improving methods. In many enterprises, thanks to the energetic work of the Production Councils and of the masses of the workers, achievements have already been recorded in increased efficiency, in the campaign against idling and scamping, in reducing waste and in establishing standard rates of output.

The next question for the Production Councils is the endeavor to convert the industrial education of the masses into mass instruction in efficient methods of production. It is proposed, in the first place, to attract into the guild commissions the active workers, particularly the delegates of the factory committees, as the representatives of the trade-unions in the guilds.

The administrative and technical staffs of the various enterprises are also attracted into the work of the Production Councils so that the work of improving production may be intensified and conducted on scientific lines.

Lenin Prizes

To stimulate the intimate contact between scientific activity and practical life the Council of People's Commissars of the Soviet Union has established a fund for the award of Lenin prizes to scientific workers. The total to be awarded each year has been fixed at 10,000 gold rubles.

Eligibility for the prizes extends to scientific works of the greatest practical significance written by Soviet citizens subsequent to November 7, 1917, in all branches of science, both natural and exact, in technology, agriculture, medicine, and the social sciences.

The awards will be made to scientific workers each year under the adjudication of a special commission of experts.

To defray the expenses connected with the adjudication and award of Lenin Prizes for the current fiscal year 1924-25 an appropriation of 12,000 gold rubles has been made out of the reserve fund of the Council of People's Commissars of the Soviet Union.

Scientific Expeditions

An expedition is being sent into the provinces of Saratov and Ulyanovsk (formerly Simbirsk) to study the vicissitudes of culture during the prehistoric period on the Volga River, the main waterway of the East European plain.

An expedition is leaving for Daghestan and the surrounding territories to study the languages, monuments, architecture, art and antiquities of Daghestan.

A four-month expedition is being organized to Krasnokokshaik, Penza, Kazan and Sarapul to study the language and culture of the Finnic races in those districts, particularly of the Mari, Votyaks and Mordvinians.

A series of scientific expeditions is being organized to Central Asia. The first expedition will leave for the Lake Issyk-Kul to investigate the possibilities of establishing large fisheries, which may prove of tremendous economic importance. Another expedition will be sent to the mountainous region of Turkmenistan to gather materials on the flora and fauna of that region. An expedition is being organized to Kazakistan (Kirghiz Republic) to gather valuable fossils of animals and plants contained in the slate deposits of the marine epoch. Other expeditions have been sent to the Pamir and the Tadjik Soviet Republic in Central Asia.

By far the largest expedition has been sent to Northern Ferghana to study the rich natural resources of the region.

Soviet Radio Transmitting Stations

THE Soviet radio transmitting system is connected with the Commissariat for Posts and

Telegraphs. The table below indicates all the particulars referring to the individual stations.

Name of Station	Call Signal	Wave Length in Meters	Power	Radio-Telegraphic System	Nature of Service Performed
Astrakhan	RAA	2000	10	Navy Dept.	Internal PG ¹
Atbasar	RFM	1300	7.5	C. R. T. T. S. F. ²	"
Artemovsk (formerly Bakhmut)	REP	1200	5	Navy Dept.	"
Baku	RAB	1600	10	" "	Internal PR ³ and Weather Reports for the Caspian Sea
Voronezh	RHE	2000	1.5	Valve	Internal PG ¹
Vladikavkaz	RAF	1200	2	Navy Dept.	"
Viatka	RAF	1200	2	" "	"
Guriev	RGV	600	2	" "	Internal PR ³ and Communication with Ships
Kiev	RAG	2200	5	" "	Internal PR ³ and Weather Reports for the Ukraine
Comintern	RDW	4250	50	Valve	International Communication and Broadcasting
Manych	RHG	900	2	C. R. T. T. S. F. ²	Internal PG ¹
October	RAI	4800	50	" "	Internal PR ³ and Time Signals
Odessa	RDH	1500	3	" "	Internal PR ³
Orenburg	RAM	6000	25	Et. (Spark)	"
Petrozavodsk	RDI	1200	2	Navy Dept.	Internal PR ³
Podbelsk	RET	7100	80	Et. (Spark)	Internal PR ³ Weather Reports and Time Signals
Poltava	REO	1000	1	C. R. T. T. S. F. ²	Internal PR ³
Rostov	RAO	2450	10	Navy Dept.	"
Smolensk	RAS	2000	10	" "	"
Simferopol	RAT	2000	10	" "	"
Saratov	RAP	1800	30	C. R. T. T. S. F. ²	"
Sverdlovsk (form'y. Ekaterinburg)	REZ	2500	15	Valve	"
Tiflis	RDK	2200	15	Telefunken	"
Ust-Sysolsk	REG	1000	2	Navy Dept.	"
Fort Uritskogo	RCG	600	2	"	Internal PR ³ and Communication with Ships
Kharkov	RAZ	4200	35	C. R. T. T. S. F. ²	Internal and International PG ¹
Stalingrad (formerly Tsaritsyn)	RBA	1300	10	"	Internal PR ³
Anadyr	RCD	1800	12	Telefunken	Internal PR ³ and Communication with Ships
Bering	RCN	800	1	"	Internal PR ³
Vladivostok	RCW	6000	65	Et. (Spark)	"
Dushembe	RCE	1500	5	Navy Dept.	"
Kerbi	RCH	600	1.5	Telefunken	"
Kuchka	RAH	2400	15	"	"
Kuliab	RCM	1200	2	"	"
Novo-Nikolayevsk	RAL	4150	70	Et. (Spark)	"
Okhotsk	RDU	1600	10	Telefunken	Internal PR ³ and Communication with Ships
Petrovavlovsk in Kamchatka	RCP	1800	8	"	"
Staraya Bokhara	RDJ	1800	10	Navy Dept.	Internal PR ³
Sredne-Kalymsk	RDG	2000	10	Telefunken	"
Semipalatinsk	RBG	1600	8	"	"
Tashkent	RAU	3150	70	"	Internal PR ³ and International Correspondence
Tolmot	RCC	800	2	C. R. T. T. S. F. ²	Internal PR ³
Ust-Kamchatsk	RFK	600	7	Telefunken	Internal PR ³ and Communication with Ships
Khabarovsk	RFN	4000	25	Et. (Spark)	Internal PR ³
Chita	RDV	2600	70	Telefunken	"
Urga	RES	950	2	Telefunken	"
<i>Stations Specially Devoted to Broadcasting</i>					
Popov Station in Moscow	SOK	1010	3	Valve	Concerts, Lectures, Radio Newspaper, etc.
Moscow		450	1	"	"
Leningrad		520	2	"	"
Ivanovo-Voznessensk		520	2	"	"

¹General Public Correspondence.—²Russian Wireless Telegraph and Telephone Company (Compagnie Russe des Télégraphes et Téléphones Sans Fil.)—³Restricted Public Correspondence.

Miscellaneous News

Oil in Kamchatka

During the past few years there has been talk of petroleum discoveries in Kamchatka Peninsula. Foreigners have been particularly interested in this question.

The fact is that oil was discovered by a sable hunter in 1922 along the Bogachevka River, the left tributary of the Kronotsky River, which flows from Kronotsky Lake into the Bering Sea. While passing along this stream the hunter encountered swampy ground and observed a layer of oil with the smell of kerosene on the pools that dotted the area. Having tested it and found that it burned, he collected a bottle and showed it to a friend, who went to Vladivostok in the autumn of 1922 to communicate the discovery to the Department of Mines. The confused political situation in the city at the time prevented any action until the summer of 1923, when an expedition was dispatched to verify the presence of oil and in the affirmative event to make a preliminary geologic survey of the oil-bearing region.

This expedition confirmed the presence of petroleum and established the fact that the oil seepage is located on the right bank of the Bogachevka River, 50 versts from the seashore. The oil seeps out along the river for a distance of 25 sazhen, and further up the stream there is an outflow of gas.

In addition to samples of the oil that flows out along the Bogachevka River, the expedition brought back samples of oil pressed out of the oil-soaked clay in the region. Analysis showed that the oil is of good quality.

The extent of the oil reserves in this area can not be estimated until after the necessary surveying and prospecting work has been done.

Merchant Ship Construction in 1925-26

The State Planning Commission submitted a report to the Council of Labor and Defense recommending the construction of over 30 seagoing steamers and ships with internal combustion engines—the program to be completed in the course of the forthcoming fiscal year 1925-26. The total amount necessary for the construction of these vessels during the coming fiscal year has been estimated at 20,000,000 gold rubles.

Out of the entire number of ships to be constructed the Soviet Merchant Marine will get 18 ships, the Oil Syndicate 2 ships with internal combustion engines and the Caspian Steamship Company 11 ships. The Council of Labor and Defense approved the report.

Locomotive Orders and Building Program

The People's Commissariat for Transports of the Soviet Union has placed an order for 250 new railroad locomotives for the fiscal year 1925-26. The Chief Metals Department has distributed the order amongst the various locomotive building plants in the country. The largest share—62 locomotives—of the order has been allotted to the Lugansk works, followed by the Sormovo plant with 46 and the Kolomensk works with 40.

A short time ago a conference held under the auspices of the Chief Metals Department laid down a six-year plan, extending from 1925 to 1931, for the construction of locomotives by the State machine building plants. This program requires the construction of 4,509 locomotives of various series during the six-year period. The requisition by the People's Commissariat for Transports for the construction of 7,600 locomotives during the forthcoming years is being completely fulfilled.

Freight and Passenger Car Construction Program

A conference recently called by the Chief Metals Department drew up a four-year program for the construction of railway freight cars, as well as a three-year plan for building passenger cars, both schedules to be started with the forthcoming fiscal year 1925-26.

The maximum output of freight cars is placed at 2,500 for the fiscal year 1925-26, 4,450 for 1926-27, 8,250 for 1927-28, and 10,650 for 1928-29, making a total of 25,850.

The three-year program for the construction of passenger cars covers 2,280 railway cars and 1,710 trolley cars.

Russian Gipsies to be Settled on the Land

Plans have been submitted by the People's Commissariat for Agriculture to the Council of People's Commissars for settling the wandering Gipsies on the land. The People's Commissariat for Agriculture considers the nomadic life of the Gipsies incompatible with the Soviet political system, in which every citizen must engage in useful productive work.

According to the plans worked out by the People's Commissariat for Agriculture, the Gipsies must take up settled life within three years from the publication of the official decree to that effect. The Gipsies are to be offered the choice of either settling in urban communities, in quarters allotted to them, or taking up agriculture.

Those Gipsies who do not settle down within the prescribed three-year period will be sent to remote districts, where free land will be allotted to them.

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Gold Industry in the U. S. S. R.

Savings Banks in the Soviet Union

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Soviet Industrial Program for 1925-26

THE tentative industrial program figures for the new fiscal year, extending from October 1, 1925, to September 30, 1926, as compared with

the corresponding data for the current and previous fiscal years are presented by the following table:

	1923-24	1924-25	Annual Increase Per cent	1925-26	Annual Increase Per cent
Number of Plants in Operation.....	1,966	2,090	7	2,609	25
Average Number of Workers.....	1,186,000	1,355,000	14	1,618,000	19
Value of Output in Gold Rubles.....	2,092,000,000	3,118,000,000	49	4,302,000,000	38
Amount of Sales in Gold Rubles.....	2,291,000,000	3,118,000,000	36	4,314,000,000	38
Average Monthly Wages per Worker, Expressed in Gold Rubles.....	33.7	39.9	18	45.3	13
Increase of Labor Productivity.....	—	—	46	—	17

A comparison of the foregoing figures shows that over 500 plants now idle are to be put into operation during the coming* fiscal year, whereas during the current* fiscal year, ending September 30, 1925, the number of running factories advanced only 124 beyond the total for 1923-24.

The expansion of industrial production, as measured by its gold ruble value, is set at 38 per cent for the forthcoming fiscal year, as against a rise of 49 per cent for the fiscal year 1924-25, due allowance being made for price declines in both years. Converted at pre-war prices, the next fiscal year's increase will amount to 47 per cent, as compared with 60 per cent for the fiscal period 1924-25. The volume of industrial products sold will grow in approximately the same measure.

Over 250,000 additional workers are to be drawn into industry, the increase of the labor force employed in the large-scale enterprises being forecast at 20 per cent. During the current fiscal year the aggregate industrial labor force has been enlarged 170,000 over the total for 1923-24. It must be observed that, notwithstanding the presence of a certain number of unem-

ployed, only about half of the industrial labor requirement can be filled from the ranks of those out of work in accordance with their individual trades. The other half will have to be specially trained for industrial production.

The average worker's wages, as expressed in gold rubles, will increase 13 per cent according to tentative estimates, as compared with an advance of 18 per cent during the current fiscal year. In this connection it is planned to raise labor productivity 17 per cent during the coming fiscal year. In view of the fact that the growth of labor productivity has been rather conservatively estimated in drawing up the industrial programs, it may be expected that the actual increase will be somewhat larger.

Raw Materials

The raw material situation for the forthcoming fiscal year is shaping up favorably as a result of the rapid extension of industrial raw product crops. However, the domestic production of industrial raw materials falls short of the requirements in many instances, as the following table indicates:

Fiscal Year	Cotton in Millions of Poods			Raw Wool in Thousands of Poods			Raw Hides in Millions		
	Production	Consumption	Shortage	Production	Consumption	Shortage	Production	Consumption	Shortage
1923-24	2.9	7.2	4.3	777	969	192	4.6	5.0	0.4
1924-25	6.2	13.2	7.0	745	1,140	395	6.0	6.4	0.4
1925-26	10.5	18.2	7.7	900	1,400	500	5.2-6.0	8.1	2.1-2.9

Conditions are better with regard to flax and oil seeds, so that it will be possible for the Soviet Union to meet the enlarged requirements of its industries for these products and at the same time

increase exports. The same applies to sugar-beets and raw tobacco.

To compare the estimated rate of industrial growth during the forthcoming fiscal year with the speed of progress during the current fiscal year, it is best to divide all industry into two groups: (1) branches turning out production goods mainly, i.e., goods intended for utilization in further manufacturing processes, and (2)

*By "current fiscal year" is to be understood the fiscal year 1924-25 (October 1, 1924, to September 30, 1925) which just elapsed, while the expression "coming fiscal year" means the new fiscal year 1925-26, beginning October 1, 1925.

branches producing consumption goods principally. Naturally, the separation of industrial branches into these two groups can be only rough and approximate, but even so, this classification

makes it possible to draw some extremely interesting conclusions.

The figures in the subjoined table show the rate of increase of the first industrial group:

Industrial Branch	1923-24	1924-25	Annual Increase Per cent	1925-26	Annual Increase Per cent
Coal (gross output in poods).....	971,000,000	980,000,000	1	1,400,000,000	43
Petroleum (gross output in poods).....	359,500,000	402,700,000	12	476,000,000	16
Iron Ore (output in poods).....	54,600,000	110,000,000	102	242,000,000	120
Metal Industry (output in pre-war rubles)....	191,700,000	366,900,000	91	575,700,000	57
Electro-technical (output in gold rubles).....	31,400,000	62,000,000	97	109,000,000	76
Heavy Chemicals (output in gold rubles).....	37,000,000	45,500,000	23	63,500,000	39
Coking and Coal-Tar (output in gold rubles)...	2,400,000	4,700,000	96	9,800,000	110
Timber:					
Sawn (in cubic feet).....	3,800,000	4,000,000	4	5,000,000	25
Rough (in cubic feet).....	1,300,000	2,500,000	87	4,400,000	75
Cement (in barrels)	2,250,000	4,000,000	78	6,850,000	71
Fireproofing (in poods).....	4,650,000	9,990,000	114	15,250,000	55
Glass (in poods).....	6,000,000	10,600,000	77	16,000,000	51

This table shows that in most cases the branches of heavy* industry are scheduled to expand faster during 1925-26 than they have during the current year. Thus, the coal industry, whose volume of production this year remained stationary as compared with last year, is to take an unusually big forward leap during the next fiscal year in conjunction with the substantial expansion of the metal industry and other branches, the increased transportation of freight, etc. The petroleum industry will also quicken the speed of its development. In connection with the considerable extension of the metal industry there will be faster development of iron ore production, which is more than doubling from year to year,

the output increase amounting to 102 per cent in 1924-25 with a forecast of 120 per cent for the coming fiscal year. The metal industry, which has almost doubled its production during the current fiscal year as compared with 1923-24, will slacken its rate of expansion somewhat. Nevertheless, in absolute figures the added output planned for the next fiscal year surpasses the increase attained by the current year over the preceding one.

Consumption Goods

An altogether different picture is presented by those industrial branches turning out consumption goods chiefly:

Industrial Branch	1923-24	1924-25	Annual Increase Per cent	1925-26	Annual Increase Per cent
Cotton Goods (unbleached, in meters).....	879,000,000	1,772,000,000	102	2,415,000,000	36
Coarse Woolens (finished goods, in meters)....	9,000,000	12,700,000	41	15,000,000	18
Fine Woolens (finished goods, in meters).....	8,500,000	12,200,000	45	16,500,000	34
Worsted (finished goods, in meters).....	11,600,000	21,100,000	82	26,000,000	28
Shoes (pairs)	4,400,000	7,000,000	60	9,500,000	36
Paper (tons)	118,000	192,500	85	248,000	29
Matches (cases)	1,900,000	3,100,000	64	3,400,000	10
Salt (poods).....	57,500,000	83,600,000	24	90,000,000	8
Crockery and China (poods).....	1,100,000	1,600,000	44	2,300,000	37
Fine Chemicals, Pharmaceuticals, Cosmetics and Household Preparations (in dozens)...	1,100,000	2,600,000	138	3,600,000	45
Tobacco (expressed in Cigarette units).....	13,700,000	20,000,000	46	22,000,000	10
Oil-Pressing (output expressed in poods of sunflowerseed oil)	4,900,000	7,250,000	44	9,600,000	33
Sugar (expressed in poods of granul'd sugar)...	23,000,000	27,700,000	19	48,800,000	77
Distilling (vedros)	1,500,000	5,700,000	288	21,500,000	276
Starch and Glucose (expressed in poods of glucose)	844,000,000	1,068,000,000	27	1,800,000,000	69
Rubber (expressed in pairs of rubber shoes)...	6,200,000	15,000,000	143	25,000,000	67

As is evident, in the overwhelming majority of cases (with the exception of sugar, distilling, and starch-glucose divisions) the second group of industrial branches reveals a slower rate of progress—sometimes a very considerable slackening. At the same time, except for the sugar, starch and glucose, distilling, rubber, fine woolens, and crockery and china industries, the increase in absolute figures scheduled for the principal branches

of this group during 1925-26 is less than the rise in production recorded for the current fiscal period in comparison with the preceding one.

The cotton goods branch, which is the most important of the light industries*, is to undergo a

*As "heavy" industries are to be considered coal mining, ore mining, the metal and electrical industry, while all the other industries are considered as "light" industry, with the exception of the building branches (cement and wood working) which are listed separately.

marked reduction in its rate of development, from 102 per cent down to 36 per cent, the added production for 1925-26 in absolute figures constituting 72 per cent of the advance for the current fiscal year. Among the branches of light industry unusually large increases are displayed only by the sugar industry, which will almost double its output; the distilling industry, which is recovering from its almost complete disappearance, the starch and glucose industry, and the rubber industry as regards the division producing rubber shoes.

The data examined show that during the bad crop year, when it was surmised that the fiscal year 1924-25 would witness a slowing up in the expansion of market capacity and in connection therewith a slackening in the advance of industrial production, the Soviet Union has enjoyed an extraordinarily intensive development of those industrial branches turning out staple consumption goods. During the forthcoming fiscal year, when there would normally be a very marked expansion of the staple consumption market as a result of the good harvest, the growth of these branches is going to be restricted, while the industrial branches manufacturing goods used for further production are to be pushed forward. This reversal of the usual relations is explained by the concrete obstacles standing in the way of the Soviet Union's industrial development.

To the group of industrial branches whose limit of productive expansion has been set at the utmost market capacity belong chiefly those divisions of light industry which turn out staple consumption goods, such as linen, rubber shoes, matches, soap, distilled products, tea and coffee, canned goods, crockery and china, and salt. To the same group also belong some branches producing production goods, such as cement, asbestos, heavy chemicals, chemical wood derivatives, and hemp. These branches require no additional expenditures for major equipment or construction in order to increase their output further. The only question involved is one of enlarging their bank credits somewhat or of increasing imports of certain raw materials, such as crude rubber and tea, or decreasing exports of various agricultural products, such as flax, oil seeds and vegetable oils, the latter being required for hydrogenation and subsequent working up into soap.

The majority of the other industrial branches which turn out personal consumption goods and are not yet utilizing their productive apparatus to the full, so that a certain portion of surplus capacity remains available for 1925-26, find the expansion of their output impeded by the restricted facilities for procuring raw materials, both from domestic sources and by imports from foreign countries. In this class are included the following industrial branches: cotton goods, coarse woollens, fine woollens, together with sections of the food industry, such as sugar, oil pressing, tobacco,

"makhorka" (low-grade tobacco), glucose. Only in the shoe industry and the worsted division of the woollens industry is a temporary barrier to the required further increase of production imposed by the fact that the available technical equipment is already employed to full capacity.

Goods Used in Further Manufacturing Processes

The industrial branches turning out goods used in further manufacturing processes reveal quite a different situation. The principal reason for limiting their future productive expansion to less than sufficient to meet the demand, is the fact that the scheduled output entails the complete utilization of the technically fit equipment on hand for 1925-26, as well as the new apparatus that may be added.

This condition is apparent, above all, in the metal industry, where, according to data submitted by the Chief Metals Department, the relation between the proposed output for the new fiscal year 1925-26 and the consumption of various metal commodities will be as follows, all values being given in pre-war rubles:

Metal Product	Scheduled Output for 1925-26 Pre-war Rubles	Demand	Shortage
Ferrous Metals..	95,000,000	136,267,000	41,267,000
Non-Ferrous Metals	63,000,000	72,746,000	9,746,000
Machine Con- struction	149,771,000	289,427,000	139,656,000
Shipbuilding	21,530,000	21,530,000	—
Farming Machin- ery and Imple- ments	72,500,000	121,600,000	49,100,000
Other Metal Goods	75,423,000	80,428,000	5,005,000

In the judgment of the Chief Metals Department, despite its considerable growth the metal industry will be unable to fulfill the demand for metals and metal goods in most lines of production. This inability is due to the limits imposed upon the expansion of production by the utmost possible utilization of the equipment.

According to preliminary calculations the metal industry during the fiscal year 1925-26 will probably have an unused capacity reserve of from 15 to 20 per cent in the ferrous branches (except for the cast-iron producing division, which will have an unemployed capacity reserve estimated at 35 per cent of its total), in machine construction, and in the manufacture of metal articles. In the agricultural machinery branch the available equipment will be run at 100 per cent of capacity, and only in shipbuilding, where operations are just beginning to develop, will there be a very large unutilized reserve amounting to more than 80 per cent of full plant capacity.

However, these capacity figures are based upon the assumption that all the existing equipment in the metal industry will be put into operation. For the fiscal year 1925-26 such a calculation is not

applicable. Under the major equipment work projected for 1925-26 it will be impossible to start up all the apparatus on hand in the metal industry. During the coming fiscal year use will be made of all the factory equipment which can be put into working order in the course of the year. The further expansion of production would entail supplementary equipment work, for which it would be necessary to increase the basic capital resources of the metal industry. Thus, in the metal industry, which will be unable to fulfill the demand for almost every class of metal products, the proposed increase of output is restricted by the utmost possible use that can be made of existing basic equipment during the fiscal year 1925-26.

The electrical industry, which has already attained the pre-war volume, in the course of this year, is expanding its output by increasing its plant equipment, now being operated at maximum capacity.

The coal and petroleum branches of industry are very hard pressed to meet the requirements of domestic fuel consumption, which is now beginning to conflict with the expansion of fuel exports. The same is the case with the iron and manganese ore industries, which are finding it very difficult to satisfy the demands of the country's rapidly growing metallurgical branches and at the same time to keep pace with the necessity of increasing the exports of manganese and iron ores.

The industrial branches catering to construction and major plant extension, such as the branches supplying red brick, fire-resistant brick, and glass, are yielding a maximum output in connection with considerable expenditures for major extension work, but in a large measure they are yet unable to cope with the demand. The cement industry alone, which still has a large reserve of unutilized technical capacity (its producing capacity is reckoned at 15,000,000 barrels), will fully meet the demand for its product; but even here, as compared with the output of 6,850,000 barrels adopted in the program, it is intended to increase production further up to a total of 9,000,000 barrels.

According to its revised program the timber industry will likewise operate its sawmills and veneer factories at 100 per cent of capacity.

There will also be a 100 per cent utilization of equipment in the leather industry, the paper industry, the varnish and paint industry, the aniline industry, the coking and coal-tar industry, and some others.

Accordingly, most of the branches producing goods intended for use in further manufacturing will yield their maximum output in 1925-26, and yet they will not meet the country's requirements to an adequate extent. This situation brings out the necessity of entering in 1925-26 upon the

extensive construction of new factories and mills and upon the extension of existing industrial plants.

Construction of New Factories

In the cotton industry it is planned to build three large spinning mills of 100,000 spindles each, one in Ivanovo-Voznessensk, one in Leningrad, and one in the Vladimir-Kovrov district, together with a number of textile factories, a finishing and dyeing plant with a daily capacity of 10,000 pieces of finished goods, and some other units.

The building program for the paper industry includes the construction of a combined paper and wood pulp plant at Balakhna with a capacity of 3,000,000 poods of newsprint, 3,000,000 poods of chemical pulp, and 2,700,000 poods of mechanical pulp; a plant at Kondopoga with an output of 1,500,000 poods of newsprint and 1,200,000 poods of mechanical wood pulp; a wood pulp and paper mill on the Syas River with a capacity of 1,500,000 poods of newsprint, 3,000,000 poods of chemical wood pulp, 1,350,000 poods of mechanical wood pulp, and 150,000 poods of wrapping paper; and a cardboard mill at Balakhna with an output of 750,000 poods.

The glass and china industry is being completely reconstructed. A number of the existing factories are being put on a machine basis and twelve new plants are being built in the area controlled by the Southern Chemical Trust, as well as at Nizhni-Novgorod, in the northwestern region, in the Northern Caucasus, and in Siberia. Five porcelain factories are also being added.

In the rubber industry, which is running its plants for the production of technical goods and tires at full capacity, it is planned to build a new tire factory at Yaroslav with a daily output of 300 to 400 tires.

In the electrical industry it is proposed to re-equip and enlarge the lamp factories, the former W. E. C. plant, the "Elektrosila" works, the "Dynamo" plant, and the wire and cable factories. In addition to extending the equipment and capacity of a number of other plants, it is planned to add a division to the Kulakov works in Leningrad for the large-scale production of meters.

In the starch and glucose industry it is planned to construct for the Northern Glucose Trust ("Severopatoka") another cornstarch mill with a handling capacity of 1,500,000 poods of corn, and it is also planned to build a starch factory in the Caucasus with an output capacity of 1,500,000 poods of dry starch.

The construction of new plants and the expansion of existing factories is also projected in the leather industry, the flax, hemp and jute industry, the chemical industry, and a number of other branches, to say nothing of the metal industry, where it is planned to extend construction activity on a very large scale, although the units to be built have not yet been definitely determined.

During the fiscal year 1925-26 the majority of the Soviet Union's industrial branches will almost completely exhaust the margins of productive capacity still available in their equipment reserves. In those branches where the program schedule set for 1925-26 will still leave a certain margin of unemployed equipment (cement, sugar, matches, linen, timber, etc.) it is already proposed, under the influence of the growth of market capacity that is steadily becoming more evident, to institute a further extension of production which will bring these industries also close to a full utilization of the producing capacity of their basic equipment.

The rapid expansion of the Soviet Union's economic life, which is increasing the prosperity of the population and leading to a large growth of the domestic market capacity, makes very big demands upon the country's industries. Hitherto Soviet industry has had an opportunity to meet these demands by putting into operation unused basic equipment remaining over from pre-war and war times. This will also be partly possible during the coming fiscal year, but any additional expansion of output and the feasibility of satisfying the requirements of industrial goods for private consumption and of industrial products for further manufacturing purposes will have to be based almost exclusively upon the basic re-equipment of existing enterprises and the construction of new factories and mills.

Gold Industry of the U.S.S.R.

THE Soviet Union's gold mining program for the fiscal year 1924-25, ending October 1, 1925, called for an aggregate output of 1,700 poods (1 pood equals 36.07 pounds) by all the enterprises in this industry. The Lena mines were to yield 420 poods and the Aldan field was to produce 450 poods during 1924-25, despite the fact that this was only the second year of its exploitation.

Data at hand in July for the first half of the current fiscal year, i.e., for the winter season extending from October 1, 1924 to March 30, 1925, showed a production of about 550 poods for the entire Soviet Union. In view of the fact that the main bulk of the annual gold output is mined during the course of the summer period, which falls in the second half of the fiscal year, it may be concluded that the production program set up for 1924-25 will be completely executed.

In no other branch of Soviet industry is private initiative so prominent as in the gold industry. This is illustrated by the fact that private undertakings in this branch are scheduled to contribute 360 poods, or 21.7 per cent of the total, to the aggregate gold output of 1,700 poods for the present fiscal year. Private gold mining enterprise is especially well developed in the Far-East-

ern Region, where the gold produced under official Government registration by private operators is expected to amount to 320 poods, which will constitute 76 per cent of the total officially recorded gold output in this territory. The private gold mining industry, principally in the form of small and medium enterprises, is also beginning to undergo marked expansion in Siberia, where it has been but very slightly developed until recently.

Particular success is attending the systematization of the small-scale gold industry through the Siberian Gold Industry Offices. These are State bureaus, which, in addition to organizing independent prospectors into "artels" (i.e., collective mining groups of private individuals) for the exploitation of mines, furnish them with goods and supplies, often on credit in the shape of loans. The small-scale gold mining industry organized by these offices is bringing its output for the present fiscal year up to 48 poods, as compared with 23 poods in 1923-24.

Private enterprise is also beginning to make its appearance gradually in the gold mining industry of the Ural, but to a smaller degree. This progressively increasing participation of private initiative in the gold industry is due to the Government's tendency to turn over to private capital all the small deposits and mines, together with those larger ones which require extensive expenditures for major equipment and preliminary work. It has been decided to exploit directly with State resources only the largest and most profitable gold mining enterprises.

Private gold mining also received a marked impetus from the decree of September 23, 1924, which granted a number of substantial facilities to this branch of the industry.

The small number of large gold mining enterprises remaining in the hands of the State are being rapidly rehabilitated and equipped by the Government. At the mines of the Ural Gold Trust (the "Uralzoloto") the mining and smelting of the arsenical gold ores is being organized in such a way as to recover not only the precious metal, but also the accompanying arsenic, which is greatly required by the country's industries and especially by agriculture. For this purpose the first special ovens are being installed in the Soviet Union at the Kochkarsk mines for the extraction of arsenic from the gold-bearing arsenic pyrites.

The reconstruction of the dredging fleet, destroyed during the civil war, is proceeding rapidly at the deposits and mines of the Yenisei Gold Trust (the "Yeniseizoloto"). Six dredges have already been rebuilt and two more will be restored and put into service during the present year. Preparations are going forward for the rehabilitation of the large Ayakhtinsk gold mine. The electrification of the mines in operation has been started. The equipment of the concentrat-

ing plants at the "Soviet" and "Artemovsk" mines is being substantially enlarged.

The recently organized Far-Eastern Gold Trust (the "Dalzoloto") in the Far-Eastern Region is carrying on extensive work to restore the large dredging enterprise of the former British firm, the Orsk Gold Mines Company, on the Kolchan River near Nikolayevsk-on-the-Amur.

Work is proceeding on the transfer of two inactive dredges from the Lena deposits to the Aldan gold field. In view of the tremendous possibilities held forth by the Aldan region, the Government is devoting special attention to the equipment and correct general exploitation of the Aldan deposits. Owing to its remoteness and the difficulty of access, this region has thus far been but slightly explored; but what is already known about it furnishes grounds for the belief that in the near future it will become a very considerable source of gold for the Soviet Union. The likely gold-bearing area stretches, with a few breaks, over an immense expanse from the Olekma River to the basin of the Uchura River, connecting with the Okhotsk gold fields further to the east. The operations conducted up to the present have been limited to a very small part of this region, and yet the results of this work, as measured by the amount of gold obtained, have already made this field the foremost among all the gold-producing regions of the Soviet Union.

The Government is now taking steps to put the exploitation of the Aldan deposits on a machine basis. However, due to the extraordinary difficulty of transporting heavy machinery to this region, which is so distant and hard to reach, the exploitation of the deposits during the next few years will inevitably have to be based upon operations by independent prospectors using primitive methods.

Such operations require a large number of workers, and the latter will need great quantities of goods and supplies. With the existing routes of communication, or rather due to the lack of such routes, the transportation of supplies is very laborious and extremely expensive—about 15 gold rubles per pood of freight. This clearly demonstrates the urgent necessity of rapidly building roads to link the Aldan deposits with the railroad system.

The Government is aware of this situation and has already laid plans for the construction of roads uniting the Aldan fields with the Chita railroad on the one hand and with the Aldan River on the other.

The prosecution of prospecting and exploring operations with the object of restoring and increasing the gold ore reserves, possesses great importance for the Soviet Union's gold industry. During the foregoing eight years the industry has lived by drawing on the old, previously ex-

plored reserves. During the current year, after a lapse of eight years, Soviet gold mining enterprises resumed prospecting operations on a sufficiently large scale. The Ural Gold Trust is carrying on exploration work in the Jetygarinsk, Kochkarsk, and a number of other districts. The Yenisei Gold Trust is conducting intensive prospecting in the region of the Ayakhtinsk, Soviet, and Artemovsk mines. The Far-Eastern Gold Trust is exploring a tract along the Kolchan River and is also investigating the gold ore deposits known as the "Gold Mountain" in the Zeya district. Prospecting operations in the Aldan fields are being carried on under the guidance of a prospecting and geological expedition specially commissioned by the Federal authorities.

In the future it is proposed to increase to a large extent the prospecting and exploration work now being conducted with State funds. On the other hand, in order to utilize private initiative on a large scale for the discovery of new gold-bearing areas, the Government has granted a number of substantial privileges to the original finders of such tracts. This governmental measure has already yielded positive results, as shown by the fact that registrations of the discovery of new gold-bearing lands have increased markedly and display a tendency to further growth.

The above-mentioned governmental measures in the gold mining industry and the resulting tendencies in this branch furnish a basis for calculating that within the course of the next four years, i.e., by the end of the fiscal year 1928-29, the Soviet Union will succeed in bringing its annual gold output fully up to the 1913 volume of 3,700 poods.

Soviet Bonds and Currency

ON August 14, 1925 the Central Executive Committee and the Council of People's Commissars of the Soviet Union approved the following decree concerning the issue of a State Internal Economic Reconstruction Loan:

For the purpose of promoting the speedy reconstruction of the Soviet Union's economic life the Central Executive Committee and the Council of People's Commissars of the Soviet Union decree:

1. To issue a State loan on the basis set forth in the succeeding articles.

2. The loan shall be entered into the register of State loans of the Soviet Union under the title "State Internal Economic Reconstruction Loan of 1925."

3. The loan shall be issued in the sum of 300,000,000 (three hundred million) gold rubles in four instalments (A, B, C, and D) of 75,000,000 gold rubles each, the individual instalments to be subdivided into one hundred and fifty series of 500,000 gold rubles in bonds of a par value of 10,000 (ten thousand) gold rubles.

4. The loan shall be issued for a term extending from October 1, 1925 to April 1, 1930.

5. From the moment of their issue (Art. 4) the bonds of the loan shall bear interest at the rate of 10 (ten) per cent per annum. Interest payments shall be made semi-annually for each expired 6 months. The dates of interest payments are designated as April 1 and October 1 of each year, beginning with April 1, 1926.

6. The sale of the bonds shall be effected at par.

7. The bonds of the loan and transactions therein shall be exempt from the imposition of any Federal and local taxes and levies.

8. The bonds of the loan shall be accepted at par value as security for all State contracts and deliveries, and also as guarantee for instalment excise tax payments and for customs duties.

9. Lessees of State and municipal property, State agricultural and forest tracts, State industrial enterprises, etc., shall be accorded the right of putting up the bonds of the loan as security upon the lease agreements.

10. The bonds of the loan shall enjoy unrestricted circulation on an equality with other State and State-guaranteed interest-bearing securities, and they shall be open to quotation on the stock exchanges and the stock divisions of produce exchanges, the bonds of instalment A being quotable on the stock exchange beginning with October 1, 1925, those of instalment B with December 1, 1925, instalment C with February 1, 1926, and instalment D with April 1, 1926.

11. The redemption of the bonds of the loan shall begin on October 1, 1926 and end on April 1, 1930. The drawings for redemption shall be made twice a year in equal lots amounting to 37,500,000 gold rubles per drawing. Repayment of the bonds called in the drawings shall be effected on April 1 and October 1, beginning with October 1, 1926 and ending with April 1, 1930. The dates and procedure for making the drawings for redemption shall be established by the People's Commissariat for Finances of the Soviet Union.

12. The payment of interest on the loan bonds and the redemption of the bonds called in the drawings shall be effected through the organs of the State Bank and its correspondents.

13. Demand for payment of matured coupons may be made within the course of three years from the date on which the coupons fall due.

Bonds called in the drawings may be presented for redemption up to April 1, 1933.

Upon the expiration of the intervals specified, holders of bonds and coupons not presenting them for payment shall lose the right to receive the sums outstanding.

Regulations for Redemption of State Loans

Toward the end of August the People's Commissariat for Finances of the Soviet Union approved the following regulations covering the redemption of State loans.

The 8 Per Cent Internal Gold Loan is to be redeemed during the course of four years, beginning January, 1926, by means of semi-annual drawings.

During the three years 1926 to 1928 the drawings will be made in January and July, whereas in 1929 they will take place in July and December. The drawings for redemption, as well as those for lottery loan prizes, will be effected in public by a special drawing commission. At each drawing 12,500 numbers of 100-ruble bonds for an aggregate of 1,250,000 gold rubles and 11,250 numbers of 1,000-ruble bonds for an aggregate of 11,250,000 gold rubles will be redeemed, making a grand total of 23,750 numbers with a combined value of 12,500,000 gold rubles. For the years 1926 to 1928 payment of principal on bonds called in the January drawing will begin on March 1, while payments on the July drawing will commence on September 1. Repayment of principal on bonds drawn in July, 1929, will be started on September 1 of the same year, while for bonds drawn in December payments will begin on March 1, 1930. Called bonds presented for redemption must have attached all coupons for periods expiring subsequent to the date of repayment.

The repayment of drawn bonds will be effected at the offices of the State Bank and at the offices of the People's Commissariat for Finances at par value. Institutions and enterprises required to maintain 60 per cent of their surplus and capital reserves in the form of interest-bearing State securities, will receive other uncalled bonds of the same par value in exchange for those drawn for redemption.

The Second State Lottery Loan of 1924 will be redeemed through a period of four years, beginning with 1926, by single annual drawings, to be made on January 2 of each year simultaneously with the lottery drawings of the First State Lottery Loan. The loan will be redeemed by entire series, five series being drawn by lot from an urn each year. The method of drawing will be prescribed by special instructions from the People's Commissariat for Finances of the Soviet Union. The bonds of series drawn for redemption will not share in lottery drawings subsequent to the redemption drawing. The repayment of principal on drawn bonds of the Second State Lottery Loan will begin on March 15 (the date from which the coupon begins to bear interest) and will be effected by the proper depositories at par value, according to the existing regulations. The drawn bonds presented for redemption must have attached the interest coupon falling due on December 15 of the year of redemption.

The redemption of the Peasant Lottery Loan of 1924 and the 5 Per Cent State Short-Term Loan of 1925 will commence on April 1, 1926, and will be effected by the proper depositories according to the existing regulations, payments being made at the par value of the bonds of these loans.

Chervonets Quotations Abroad during July

During the course of July most of the foreign exchanges quoted the chervonets—the Soviet gold unit equivalent to 10 gold rubles—at a higher rate than during June and at the inception of July. An especially marked rise was observed in Rome, where the chervonets rate, expressed in gold rubles on the basis of American dollar exchange, stood at 9.94 rubles on August 1, registering an increase of 28 points over the average quotation of 9.66 rubles for the month of June.

The same advance of 28 points is shown by the chervonets rates quoted on the Constantinople exchange during the two months of June and July. On August 1 the chervonets was quoted at 10.08 rubles on the Constantinople market, i. e., 8 points above its gold parity.

The chervonets rate has advanced firmly on the exchanges of the European States bordering on the Soviet Union. In particular, the exchange rate quoted at Riga (Latvia) was 10.05 rubles on August 1, as against 10.01 rubles on July 1 and 9.91 rubles on June 1. On the Reval (Esthonia) exchange the chervonets rate rose 14 points during July, from 9.79 rubles on July 1, to 9.93 rubles on August 1.

On the exchanges of the Far East the chervonets is consistently quoted above par. In the case of the Shanghai exchange, where the disturbed Chinese situation has been felt with particular severity, the curve of chervonets rate changes displays considerable fluctuations, from 10.26 rubles on July 1 up to 10.30 rubles on July 11 and then down to 10.12 rubles on August 1, which must be regarded as an effect of the decline of the business turnover on the Shanghai exchange.

At Harbin, on the contrary, despite all the efforts of interests opposed to the Soviet Union, the chervonets rate has advanced steadily, showing a rise of 12 points for the month of July—from 9.95 rubles on July 1 up to 10.07 rubles on August 1.

Savings Banks in the U.S.S.R.

THE following details concerning the work of the State Savings Banks in the rural regions of the Soviet Union were supplied by Mr. K. I. Bilinsky, Acting Head of the Managing Board of the State Savings Banks, during an interview with the representative of the "Financial Gazette" of Moscow:

At the present time the work of the Managing Board of the State Savings Banks is concentrated principally on the extension and consolidation of the system of State Savings Banks in the rural districts. This problem assumes an especially important significance in connection with the forthcoming crop sales and the opportunity of attracting the peasantry's liquid resources into the savings banks.

With respect to the number of depositories the savings bank system now surpasses the pre-war condition (there were 7,000 savings bank depositories on January 1, 1914), but their distribution throughout the various regions does not correspond to the former situation. On July 1 of the current year the entire Soviet Union counted 8,579 savings depositories, the major part 5,989—being attached to post and telegraph offices. The number of intermediate depositories, i. e., those connected with institutions, factories, and mills, amounted to 1,700. Of these over 100 are attached to traveling post offices and about 100 to Township Executive Committees. As yet the latter have only been introduced in an experimental form, and it is still premature to speak of the course of development of this kind of savings bank. The development of savings depositories in conjunction with traveling post offices possesses particular importance, mainly in encouraging savings deposits through publicity, since their material significance is slight as yet owing to their novelty.

Lately the Managing Board has adopted a number of measures designed to extend the system of savings depositories and bring them closer to the peasant population. An agreement has been made with the State Bank for the establishment of central savings depositories at all grain elevators controlled by the State Bank. Savings depositories of the simplified intermediary type are being opened at all the grain receiving stations of the State Bank. An agreement has also been made with the Grain Products Corporation ("Khlebprodukt") for the opening of similar simplified depositories in connection with its grain receiving stations and its district and provincial offices. The latter agreement will add over 700 depositories to the savings bank system.

Special steps are being taken to extend the net of depositories in the rural regions. Depositories of the simplified type are being opened at all the railroad stations. There are individual cases of the establishment of very simple savings depositories in connection with reading cabins, the educational workers in the country being drawn into the work. In some regions it is proposed to attach savings depositories to the salt and fish industries, the local State institutions carrying on the purchase of raw materials, etc.

It is estimated that as a result of these measures the system of savings depositories will grow to approximately 12,000 offices, so that it will approach twice the size of the pre-war system.

This year, after a certain slackening in the rate of deposit operations in April and May (in pre-war times an ebb in deposits was usual during these months), the depositories entered upon a period of marked recovery. June showed a net increase of more than 2,100,000 gold rubles in deposits, the deposit balance totaling 23,822,100

gold rubles on July 1, as against 21,727,500 gold rubles on June 1. A striking example of this renewed activity is furnished by the Moscow depository, which recorded added deposits of 430,000 gold rubles for the first 18 days of July, an amount equal to the deposits for the whole month of June.

An increase is also noticeable in the number of depositors, who totaled about 726,000 on July 1, as compared with 705,000 on June 1.

In conclusion it must be added that the Managing Board is adopting a number of measures intended to attract depositors and interest them in the development of the system. All the more common banking operations are being introduced into the savings banks. In particular, all the depositories have recently introduced letter of credit facilities whereby any client may procure a letter of credit up to an amount of 1,000 gold rubles payable at any depository. The rate on money transfers has been reduced and is now 1/20 of one per cent on the amount of the transfer instead of 1/4 of one per cent. Steps have been taken to simplify and speed up the transaction of the various bank operations.

All these measures are bound to produce substantial results in the near future and considerably increase the interest of the working population in the savings bank system.

The savings banks are also carrying on an extensive publicity campaign, in which, besides the organs of the People's Commissariat for Finances, the trade unions and political organizations are being enlisted.

Savings Bank Depositors in the R.S.F.S.R.

The number of depositors in the savings banks of the Russian Socialist Federated Soviet Republic (i.e., Soviet Russia proper) increased by 166,000 during the nine months from October 1, 1924 to June 30, 1925 and totaled 600,000 on July 1—out of a total of 726,000 for the entire Soviet Union. A steady widening of the circle of persons using the savings banks is observed throughout the territory of the Republic. Whereas during the first half of the fiscal year 1924-25 the increase of depositors must be credited in large measure to the big cities, particularly Leningrad, since then the progressive rise of the number of depositors has been distributed more evenly, taking in the outlying regions, as well as the important urban centers. In June the number of depositors increased 2.5 per cent in Moscow, 2.9 per cent in Leningrad, and 3 per cent in other localities of the R.S.F.S.R., the highest increase ratios over the total depositors listed on June 1 being recorded in the Crimean Autonomous Soviet Republic with 8.2 per cent, the Oirad Autonomous Region with 12.9 per cent, Kustanaisk Province with 13.5 per cent, Amur Province with 23.6 per cent, the Karelian Autonomous Soviet Republic with 24.2

per cent, and, finally, the Province of Semipalatinsk with 25.3 per cent. The regions holding high records for the most intensive addition of new depositors are: the Northwestern Lake Region, which includes the city of Leningrad, and doubled the number of depositors between October 1, 1924 and July 1, 1925; the Ural and Siberia, which enlarged their total depositors one and a half times; the Kazak Autonomous Soviet Republic (Kirghizia), which embraces Orenburg Province and approached the two preceding regions in the percentage of new depositors; and the Far-Eastern Region, which had an inadequately developed savings bank system and the small number of 230 depositors at the beginning of the fiscal year 1924-25, but has now increased the list of its depositors eight and a half times over.

At the same time the average amount to the credit of the individual depositor, including personal savings accounts and organizational and company savings accounts, also increased. On October 1, 1924 the average depositor's credit balance was 21.3 gold rubles. By January 1, 1925 this average had risen to 25.2 gold rubles, by April 1, 1925 it had reached 29.4 gold rubles, and by July 1—32.4 gold rubles.

The improvement of the population's economic condition is reflected in the rise of the average amount deposited on personal savings accounts. Whereas on October 1, 1924 the average amount on deposit in personal savings accounts barely reached 15 gold rubles, on April 1, 1925, on the basis of data covering 38 provinces and regions, it constituted 23 gold rubles, thus showing an increase of 54.4 per cent.

The extent of the percentage increase in the deposits credited in the bank-books of individual private clients varies for different groups of the population. For workers and peasants it is almost the same—31 and 32 per cent respectively. For clerks the increase amounts to 43 per cent, and for other private depositors it is 88 per cent.

The average amount on deposit in savings banks by institutions and organizations is approximately 500 gold rubles. The State organs have the largest deposit accounts among this group, their average standing at 931 gold rubles, and they account for 70 per cent of the total savings deposits made by institutions and corporations. The cooperative institutions play a small role in the aggregate of savings deposits, although they stand second to the State organs in the average on deposit per account—362 gold rubles.

The trade union and political organizations hold 18 per cent of the total deposited by incorporated bodies and their average savings account contains 297 gold rubles. The average balance of savings accounts belonging to other organizations is 141 gold rubles.

Soviet Banks in July

Data available during the latter part of August showed a further growth of Soviet bank balances during the month of July.

On August 1 the grand total of the State Bank's consolidated balance sheet stood at 2,838,100,000 gold rubles, as against 2,761,600,000 gold rubles on July 1.

The All-Russian Cooperative Bank (the "Vseko-bank") presented a similar condition, its balance sheet total having risen from 125,200,000 gold rubles to 128,400,000 gold rubles during the month.

The consolidated balance sheet total of the "Electro-Bank" also continued to grow. On July 1 it was 38,300,000 gold rubles, and on August 1 it amounted to 44,000,000 gold rubles.

In the case of the Bank for Foreign Trade of the Soviet Union (the "Vneshtorgbank") no increase was recorded in the balance sheet total. On July 1 the consolidated balance sheet showed a total of 115,500,000 gold rubles, whereas on August 1, according to preliminary data, it aggregated 113,500,000 gold rubles.

The Moscow City Bank ("Mosgorbank") and the Central Asiatic Commercial Bank ("Tsekom-bank") were also among those registering increases in their balance sheet totals during July. The first advanced its total from 170,400,000 gold rubles to 180,200,000 gold rubles, while the second raised it from 29,300,000 gold rubles to 34,200,000 gold rubles.

The total resources of the Industrial Bank on August 1 amounted to 490,456,076 gold rubles.

Soviet Foreign Trade Outlook for 1925-26

ON August 18, 1925, Mr. M. I. Frumkin, Acting People's Commissar for Foreign Trade, presented the following report concerning the Soviet Union's foreign trade prospects for the fiscal year 1925-26 to a session of the Collegium of the Commissariat of Foreign Trade.

The Acting Commissar stated that the fiscal year 1925-26 would be a turning point in the country's foreign trade. During the fiscal year 1923-24 the Soviet Union already possessed a more or less firm position on the foreign trade front. Soviet exports for that year totaled 522,000,000 gold rubles and imports amounted to 442,000,000 gold rubles with a favorable trade balance of 80,000,000 gold rubles, grain having constituted 42 per cent of the exports. When the foreign trade program for the fiscal year 1924-25 was made equal to the total set up for 1923-24, many doubted the feasibility of accomplishing it in view of the crop failure that had occurred. However, the first nine months of 1924-25 demonstrated beyond question that the

program would be fulfilled. Exports during that period reached the sum of 389,000,000 gold rubles, while the export program for the entire year requires a total of 500,000,000 gold rubles.

This result was accomplished because of the country's success in drawing into the channels of foreign trade a large number of new commodities which had hitherto been either altogether absent from the export list or had figured to only a slight extent. The fiscal year 1924-25, ending September 30, will show about 25 to 26 per cent of the pre-war export aggregate. The Soviet Union can export only the surplus output of its economic branches. According to data compiled by the State Planning Commission the total production of agricultural economy during 1924-25 constitutes 70 per cent of the pre-war volume. The remaining 30 per cent used to form the principal export mass. Altogether different prospects are shaping up for the coming fiscal year, beginning October 1, 1925.

In connection with the excellent crops the volume of agricultural products available for trade will increase by 1,500,000,000 gold rubles. It is this surplus, as compared with the past year, that will form the fundamental basis upon which the export and import program will be constructed. This is why the fiscal year 1925-26 will mark a turning point in Soviet foreign trade: the aggregate foreign trade turnover will show an increase of 100 per cent. The export-import program for the forthcoming fiscal year will total up to 2,000,000,000 gold rubles with a favorable trade balance of 50,000,000 to 100,000,000 gold rubles.

It is necessary to draft a number of measures which will make it possible to handle this doubled program. The People's Commissariat for Foreign Trade has entered upon the coordination of its activities with the work of the People's Commissariat for Domestic Trade. Grain exports will constitute the central point of the Soviet Union's foreign trade campaign in 1925-26. If the country succeeds in accomplishing the set task of selling from 350,000,000 to 400,000,000 poods of agricultural products on the foreign market, this in itself will render it feasible to regulate prices on the domestic market in such a way that the peasantry will experience the concrete benefits of the harvest.

The next problem is the preparation of industrial exports. The output of Soviet industry is approaching the pre-war volume. This makes it indispensable to seek markets for the sale of its surplus products.

Touching upon the question of overhead expenses, the report pointed out the necessity of reducing them further, inasmuch as the moment has come when a difference of 1 or 2 per cent will possess very great importance.

In line with the latest decisions the cooperatives are also to be drawn into export and import activities.

Soviet Export-Import Program for 1925-26

At the evening session of the same day Mr. Shumiatsky, member of the Collegium of the People's Commissariat for Foreign Trade of the Soviet Union, made a report on the export-import program for the coming fiscal year 1925-26.

In round figures the separate parts of the export program for 1925-26 have been constituted as follows by the Commissariat for Foreign Trade according to the principal commodity groups: agricultural products—514,700,000 gold rubles; fishing and hunting products—63,000,000 gold rubles; live-stock and poultry products—139,000,000 gold rubles; products of food and delicacy industry—26,000,000 gold rubles; products of the mining industry—111,000,000 gold rubles; industrial manufactures—31,000,000 gold rubles, etc. The total of the Soviet Union's export program* comes to 994,000,000 gold rubles. The Council of Labor and Defense hopes to extend this program to 1,000,059,000 gold rubles.

As regards the share of the individual parts of the Soviet Union in the proposed tentative export program, the Russian Socialist Federated Soviet Republic (i.e., Soviet Russia proper) is to contribute 62.3 per cent of the total exports, followed by the Ukrainian Soviet Socialist Republic with 28.8 per cent, the Transcaucasian Soviet Federation with 6 per cent, and the White Russian Soviet Socialist Republic with 1 per cent. The Central Asiatic territory, including the Turkoman and Uzbek Republics, will account for 1.9 per cent. The export aggregate will be distributed as follows among the organizations handling the commodities: State organizations—67 per cent; co-operatives—22 per cent; mixed companies (i.e., companies with the combined participation of State and private capital)—9 per cent; and all others—2 per cent.

In drafting the measures for the promotion of Soviet exports special attention was devoted to the problem of industrial exports. Before the war Russia's industrial exports to the East amounted to 200,000,000 rubles, whereas they are to total 50,000,000 gold rubles for the fiscal year 1924-25. At the present time a special interdepartmental commission is being created under the People's Commissariat for Foreign Trade to guide and direct the efforts to increase industrial exports especially to the East.

With regard to the import program, which the People's Commissariat for Foreign Trade has set at 920,000,000 gold rubles (and the Council of Labor and Defense hopes to extend to 1,009,000,000) the report pointed out that 263,000,000 gold rubles of the total for 1925-26 had already been realized under contracts previously closed for future delivery.

The following amounts have been designated for importation into the Soviet Union during

*Set by the Commissariat for Foreign Trade.

1925-26 under various commodity groups: raw materials—363,000,000 gold rubles; semi-manufactured products—175,000,000 gold rubles; basic and auxiliary equipment—94,000,000 gold rubles. Imports under the fourth group, which includes bicycles, motor vehicles of all kinds, and transport equipment, are estimated at 14,000,000 gold rubles. In addition the following commodities will be imported: electrical equipment—12,000,000 gold rubles; farming equipment and supplies—103,000,000 gold rubles; public health supplies—19,000,000 gold rubles; educational and cultural requisites—11,000,000 gold rubles; staples—161,000,000 gold rubles; and other goods—20,000,000 gold rubles.

Soviet Foreign Trade in July

According to preliminary figures compiled by the People's Commissariat for Foreign Trade the Soviet Union's exports across its European frontiers during the month of July included 36,348 tons of foodstuffs worth 7,403,000 gold rubles, 546,746 tons of raw and semi-manufactured materials worth 27,872,000 gold rubles, and 465 tons of animal products worth 185,000 gold rubles, etc. The total exports for the month amounted to 582,928 tons valued at 36,141,000 gold rubles, as compared with 565,843 tons worth 50,788,000 gold rubles for the preceding month of June.

Among the goods imported by the Soviet Union during July were 81,369 tons of foodstuffs worth 16,659,000 gold rubles, 4,317 tons of animal products and manufactures thereof worth 5,005,000 gold rubles, 10,096 tons of chemical materials worth 3,587,000 gold rubles, 14,853 tons of metals and ores valued at 12,051,000 gold rubles, 18,423 tons of paper goods worth 3,040,000 gold rubles, 15,723 tons of textile manufactures valued at 23,382,000 gold rubles, etc. Altogether the July imports amounted to 153,913 tons worth 66,672,000 gold rubles, as against 137,481 tons valued at 60,902,000 gold rubles for June.

PAMPHLETS

published by the

RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

The Harvest of 1925

THE final crop estimate for the Soviet Union must await the figures covering the harvesting and threshing of grain throughout the country. Early in September it was assumed that the total stands 50 per cent above the crops for 1924 and 1923. Some authorities place this year's harvest of the principal grains on a level with the average for the five years preceding the war. In any case the crops approach the pre-war volume.

While the entire sown area increased by 5 per cent this year, the grain area expanded 4 per cent over last year, and the area planted with industrial raw material crops was about 20 per cent larger.

The rye area increased 2 per cent, winter wheat—24 per cent, and spring wheat—4 per cent; while the barley area decreased 16 per cent and oats 3 per cent. The millet area was enlarged 23 per cent and maize 63 per cent.

The average yield per dessiatin for various grains throughout the Soviet Union is estimated as follows: rye—50 to 51 poods per dessiatin; wheat—57 poods; oats—58 poods; millet—45 poods; buckwheat—40 poods; maize—95 poods.

The next table gives the distribution of the gross grain harvest* among the various regions of the Soviet Union as compared with last year.

Region	Gross Grain Harvest in Poods		Percentage increase (+) or decrease (—)
	1924	1925	
Consuming Region†	456,500,000	483,700,000	+ 5.9
Producing Region†	867,300,000	1,328,500,000	+ 54.3
Northern Caucasus	195,400,000	446,900,000	+128.7
Kirghizia	58,700,000	97,400,000	+ 65.9
Siberia	288,900,000	338,100,000	+ 42.0
Ukraine and Crimea	754,300,000	1,195,400,000	+ 58.4
Turkestan and Transcaucasia	182,200,000	170,300,000	— 6.6
Far-Eastern Region	86,000,000	no report	—

The greatest crop increase has occurred in the Northern Caucasus, a region that has always produced agricultural products for the export market.

The potato crop is 27 per cent higher than before the war. The production of intensive industrial crops, such as flax, hemp, and vegetable oil seeds, surpasses the pre-war total. The cotton and sugar-beet crops have not yet reached the

*According to the data of the Central Statistical Department the total grain crop is estimated at 4,200,000,000 poods, while according to the figures of the State Planning Commission a gross crop of 4,700,000,000 poods is to be expected.

†The name of "consuming region" is applied to those parts of Russia which—like the provinces of Northern Russia—do not produce enough grain for the satisfaction of their needs, while the rich black earth belt of Central Russia producing a surplus is referred to as "producing region."

pre-war level. Owing to the fact that they were grown for the market more largely than any of the other crops, the cotton and sugar-beet branches of agriculture fell the nearest toward total disruption during the low-point year of 1921. However, they are now recovering at a faster rate than the grain crops.

Data at hand on this date placed the crop of long-staple flax at 16,000,000 poods, as against 12,000,000 poods for the same time last year. The hemp area has increased 14 per cent and up to 27,000,000 poods of hemp fiber will be harvested, as compared with 17,000,000 poods last year. The sunflower area is 18 per cent larger than last year and stands 225 per cent above the plantings for 1916. The aggregate crop of oil seeds (flaxseed, hempseed, and sunflowerseed) may be expected to fall between 250,000,000 and 260,000,000 poods in comparison with 130,000,000 poods for 1924.

According to advices from the Chief Cotton Committee the Soviet Union's cotton crop will be 33 per cent larger this year and will furnish 37,000,000 poods of raw cotton, which will yield about 10,500,000 poods of ginned cotton, as compared with Russia's pre-war production of between 13,000,000 and 14,000,000 poods of ginned cotton.

Production of Bacon in the Soviet Union

RUSSIA began to produce and sell bacon within comparatively recent times. The first bacon factory in Russia was established at Libau in 1892 by the British firm of Marriot & Seligman. Thenceforth the interest of large British concerns, such as the Union Company, Barselman Brothers, and others, in the development of Russian bacon production increased steadily.

These firms erected a number of excellently equipped bacon plants in 1910 at Nikiforovka Station in Tambov Province, at Rtitsevo Station in Saratov Province, and at Kurgan and Kozlov. The creation of this chain of factories laid the foundation for the large-scale production of bacon in Russia.

Russian bacon was sold on the British market, where it soon gained a strong place. The exportation of Russian bacon to England increased rapidly from year to year, as the following figures demonstrate:

Year	Russian Bacon Exported to England	
	Poods	
1909	187,000
1910	427,000
1911	520,000
1912	545,000
1913	637,000

By cutting off Russia's access to the English market the World War prevented the further

growth of Russia's bacon industry. As a result of this the activities of the Russian bacon factories came to a standstill.

In connection with the speeding up of the country's initial steps toward economic reconstruction, the question of developing the production of bacon has again become of great importance to the economic progress of the Soviet Union.

The figures cited below with regard to hog raising in 1924 are quite characteristic of the Soviet Union's economic advancement, although they cover only a single branch of economic life.

Thus, whereas according to data compiled by the Central Statistical Department the Soviet Union had only 9,124,000 hogs in 1923, or 46.8 per cent of the total of 19,486,000 head for 1916, which was the record year for this class of livestock, in 1924 the aggregate rose to 16,823,300 head, equivalent to 86.4 per cent of the 1916 figure.

These statistics show at a glance the very rapid growth of the branch of live-stock upon which bacon production depends.

The vast territory of the Soviet Union embraces a considerable number of regions, such as the Central Agricultural Region, the Northern Caucasus, and Western Siberia, where agricultural conditions create a particularly favorable situation for the production of bacon.

The availability of a huge grain surplus (barley), milk waste products, and potatoes in these regions furnishes a reliable fodder basis for the development of commercial hog raising combined with the production of bacon for export.

The State and cooperative organizations are adopting energetic measures to improve the quality of the ordinary local hogs.

An extensive network of breeding service stations with English large white boars is being established for the purpose of interbreeding the common Russian swine with them in order to obtain pork suitable for bacon.

Hog farms and nurseries are being organized for the breeding of high-grade swine.

In order to improve the stock on the hog farms a big shipment of large English white swine was imported from Great Britain in 1923. During the current year the Soviet Government granted further credits for the importation of pure breed swine from England.

The speed of industrial hog raising development in the Soviet Union depends to a considerable degree upon the availability of liquid capital for investment in this profitable business. In this matter great importance attaches to the possibility of attracting foreign capital, something that has already been done in the case of the two hog slaughtering and refrigerating plants put into operation in 1924 at Nikiforovka and Rtitsev.

The foregoing facts make it certain that in the near future the Soviet Union will regain on the foreign market its importance as a bacon producer, which it lost during the years of war and revolution.

Tractors in the Soviet Union

STATISTICS published by the People's Commissariat for Agriculture in August, 1925, show the following number of tractors in use within the Soviet Union:

Region	Tractors in Use
Southeast	1,500
Volga	1,200
Ukraine	900
Central Industrial	350
Black-Soil	350
Other regions of the U.S.S.R.	3,200
Total	7,500

The preceding table does not include tractors procured by peasant associations and Soviet farms outside of the People's Commissariat for Agriculture through other than the regular organized channels.

The demand for tractors on the part of the peasantry is very large. Up to May, 1925, the peasant collective organizations had filed 20,000 requisitions for tractors.

Supply of Tractors in 1926

The People's Commissariat for Agriculture plans to distribute 13,350 tractors with the necessary accessories and spare parts among farms in the Russian Socialist Federated Soviet Republic (Soviet Russia proper) during 1926, the value of this equipment totaling 42,973,000 gold rubles. It is proposed to place 22,000 tractors throughout the entire Soviet Union. The purchase and sales operations connected with the disposition of this number of tractors will require 62,122,000 gold rubles.

Allotment of 500 Fordson Tractors

An import purchase of 500 Fordson tractors, which arrived in the Soviet Union during August, was distributed as follows among the various categories of organizations in accordance with a decision by the Council of Labor and Defense: 24 per cent to the agricultural "artels,"* 23 per cent to the agricultural associations, 17.6 per cent to the credit associations, 11.4 per cent to the communal farms, 10.2 per cent to the agricultural cooperatives, 4.6 per cent to the peasant committees, 4.4 per cent to the farming machinery supply associations, 2.2 per cent to the soil improvement associations, and 1.8 per cent to other organizations.

*"Artel" is the Russian term for an independent union of laborers working collectively and sharing the profits.

American Tractors in the U.S.S.R.

The figures covering the importation of tractors into the Soviet Union, as published in the September 1 issue of the "Russian Review" were not complete. During the period from October 1, 1924, to September 1, 1925, the Amtorg Trading Corporation of New York shipped 7,190 tractors to the Soviet Union. In addition to this 300 more tractors were shipped during that period by the American office of "Selskosoyuz" (Central Union of Agricultural Cooperatives).

Jewish Agricultural Settlements in the Soviet Union

THE steadily growing trend of the Jews in the Soviet Union to farming work is taking on the character of an important historical phenomenon. A people composed almost exclusively of city dwellers with habits deeply rooted in trade and petty industry is going over to agriculture en masse. The unfolding picture of the Jewish resettlement movement is not merely one of narrow national interest. In it are reflected the most comprehensive problems arising in the processes of the Soviet Union's contemporary agricultural economy.

The special distinguishing features prevailing in the organization of Jewish farming had been previously observed. Before the Revolution the Jewish agricultural colonies in the Ekaterinoslav Province, for example, clearly demonstrated the superiority of their farm management over that of the surrounding peasants. Beginning with the year 1910 a number of Jewish farms in Kherson Province, including those of the Lvov, Novo-Poltavka, Kamyanka and other colonies, established vineyards in accordance with the latest principles of rational agronomy.

The trend toward intensification displayed by the Jewish agricultural settlements did not disappear even during the period of general disorganization. With the termination of the civil strife, whose effect upon the settlements was particularly severe, the process of reconstructing the farms began and their progressive tendency steadily continued to grow and develop. In 1923, with the assistance of the Jewish Joint Distribution Committee (an American relief organization) the widespread introduction of the six-field system of crop rotation, combining the production of fodder and crops requiring deep plowing, was commenced and the cooperative handling of crops was inaugurated, together with the cooperative sale of live-stock products through the creation of sixty butter and cheese "artels" (cooperatives).

The intense interest and attention of the Jewish agricultural colonists was aroused by the

tractor method of farming, which was introduced on a large scale for the first time in the Ukraine during 1923.

Analogous traits have also been noticed in the Jewish farm colonies in the White Russian Soviet Republic. In 1924 their yield of fodder grasses and crops requiring deep plowing was one and a half or more times greater than the average for this territory. A number of Jewish farming groups have concentrated their attention on seed production, and scores of their seed farms have been awarded prizes at the local agricultural exhibitions. The Jewish dairy associations are increasing and developing every year, their relatively high level of productivity far surpassing the average standard. In some places they have begun to form agricultural improvement societies.

Under the Soviet administration the Jewish agricultural movement is assuming flood-tide proportions. Strata of the population that never had anything to do with farming before are now turning to the land. And here, too, the same characteristics of the Jewish form of agricultural organization may be clearly discerned. To the superficial glance they are somewhat hidden by reason of the purely technical deficiencies altogether natural in the case of agricultural novices. However, a thoughtful analysis of the system behind the newly developing farms of the recent Jewish colonists reveals all the signs of an enlightened attitude toward the work. The trying conditions of the initial period of agricultural construction, the absence of the most elementary facilities, the shortage of material resources, the fact that a great many of the settlers are not accustomed to physical labor, and the lack of farming habits and skill—such are the factors that have impeded and still impede development.

Leaving their small towns under the pressure of economic need and investing their last few pennies in an occupation which is new and hitherto untried for them, the Jewish agricultural colonists are striving with unexampled perseverance to avail themselves of every opportunity to establish their farms at once upon an efficient, rational basis. Perhaps the most instructive example of this is the story of Jewish agricultural settlements in the Crimea.

The first Jewish collective farm appeared in the Crimea during the autumn of 1922. In the course of the fiscal year 1923-24 Jewish settlers began to stream into this territory in large numbers. The very energetic activity displayed by these new settlers played a great part in obtaining land for more extensive Jewish colonization. Winning the various tracts of land step by step, at first (during 1923-24) under leasehold rights, and later—thanks to the activity of the Committee on the Agricultural Settlement of the Jewish Working Population attached to the Presidium of the

Council of Nationalities in the Central Executive Committee of the Soviet Union—on the basis of free land grants to them as workers, the Jewish settlers spread over the steppe area of the Crimea to a total of 750 families.

Conditions in this territory furnish a good test of the farming capabilities of the settlers. The changeable climate, the heavy soil thickly overgrown with weeds, and the low agricultural level of the farms tilled by the old-time local inhabitants—all these taken together, it would appear, did not presage quick and bounteous results, even for experienced farmers. However, enterprise and energy, wide business experience, and determined will helped to conquer the obstacles in the way. Thus, for instance, the "Ikor" collective farming group in the district of Eupatoria and "Akhdas" in Jankoy district have already succeeded in bringing their sown area up to and beyond 15 dessiatins per family. In this connection their work was considerably facilitated by a supply of tractors, although only part of the plowing was done with tractors, the remainder being carried out with the aid of draft animals. These two groups possess dairy herds of quite considerable size. By the second year of its existence the "Ikor" collective farm was already producing for the market and sold 2,000 gold rubles' worth of milk in Eupatoria. Some collective farming groups establish trading branches in their agricultural economy from the very first. To this class belong, for example, the "Osнова" ("Foundation") collective farm near Simferopol, which organized the production of early spring vegetables and succeeded this spring in growing over 40,000 head of early garden vegetables in hotbeds; and the "Kadim" farming group near Jankoy, which planted 15 dessiatins this year with garden truck for the market, and several other groups.

The overwhelming majority of Jewish farming groups in the Crimea are characterized by a tendency to produce for sale on the market and a trend toward intensive agriculture.

Some of these collective farms already stand on the threshold of a change to multiple-field crop rotation—in a region where the most primitive methods still prevail.

Despite the trying food problem inevitable during the initial period of farm establishment, the good physical appearance of the new settlers forcibly attracts attention. The children make a particularly good impression. In these country youngsters, tanned, intrepid and impetuous, racing across the fields at a breakneck speed on unsaddled horses, it is impossible to recognize the anemic and feeble generation of town youth.

No less attention is evoked by the altered frame of mind of the Jewish population. The short period of occupation with agricultural labor has already succeeded in placing the seal of spiritual

calm upon the settlers. The nervousness, so characteristic of the Jews, disappears, and the no less typical restlessness is also absent. Their features are composed, their movements well ordered, and a growing psychical equilibrium is manifest in their every action.

All these traits are especially marked in the young men, who constitute the labor basis of the collective farming groups. This stratum of the settlers is distinguished by its striking solidarity, its great labor discipline, and its abiding faith in the work. Toiling with the utmost enthusiasm, it carries with it the older part of the group. The young men have less organizing knowledge, but withal greater labor zeal and a lively and burning interest in agricultural advancement. The latter feature, however, is characteristic of the entire mass of the Jewish settlers.

Many additional efforts and material sacrifices are needed for the further successful development and consolidation of the widespread movement arising among the Jewish masses toward systematic agricultural activity. The settlers themselves are putting their last resources and their entire stock of energy and physical strength in this work, which is new to them.

Jewish Agricultural Settlement Committee

On August 29 the Jewish Agricultural Settlement Committee ("Komzet"), attached to the Central Executive Committee of the Soviet Union, completed the first year of its activities.

During this year the Soviet Government has set aside 100,000 dessiatins of farming land in the South for agricultural colonization by the Jewish working masses. The majority of the new Jewish farmers are located in the Kherson district, where 80,000 settlers are living in 45 colonies.

According to a statement by Mr. Chubar, Chairman of the Council of People's Commissars of the Ukraine, Jewish administrative subdistricts, districts, and an autonomous Jewish area will be set up in the Kherson Region in step with the growth of the Jewish agricultural population there. It is very likely that it will also be feasible to form a Jewish autonomous republic on the same general principles as all the other Soviet Republics.

Jewish communities abroad have reacted very sympathetically toward the work of settling the Jewish masses of the Soviet Union on the land. The Joint Distribution Committee, an American organization, has disbursed \$700,000 to help equip the settlers.

Recently the Jewish Colonization Association ("Ika") of Paris, has expressed a desire to participate in the work of establishing the Jews on the land. It is expected that a special agreement for this purpose will soon be concluded between the Association and the Soviet Government.

Foreign Relations of the U. S. S. R.

AT a meeting of the Collegium of the People's Commissariat for Transports, held during August under the chairmanship of Mr. Y. E. Rudzutak, a report was presented by Mr. Chernov, Acting Representative of the Commissariat for Transports on international transportation matters, concerning the results of the work of the commission appointed to make preparations for the Soviet-Japanese Railroad Conference scheduled to take place this autumn.

The Collegium approved the commission's proposals, the substance of which is outlined below:

The establishment of direct passenger traffic between the Soviet Union and Japan is recognized as economically profitable for both countries. The commission points out that with a run of about 10,000 kilometers over Soviet territory and from 200 to 300 kilometers across Chinese or Japanese territory it will be possible to make the trip between Tokyo and Paris in 15 days, whereas the ocean route via America requires about 40 days.

The report states that direct freight traffic between the Soviet Union and Japan will promote the development of the freight turnover between the two countries. Vladivostok is contemplated as the most convenient routing point for freight traffic.

Service over the ocean section of this direct cargo route will be furnished on a basis of mutual equality by the Soviet Merchant Fleet ("Sovtorgflot") and the Japanese steamship companies.

The following bodies are to participate in direct passenger and freight transportation between the Soviet Union and Japan:

The People's Commissariat for Transports, the Board of Directors of the Chinese Eastern Railroad, the Main Board of Directors of the Japanese Imperial Railroads, the Board of Directors of the Korean Railroad, the Board of Directors of the Soviet Merchant Fleet, and the boards of directors of railroad lines in such other countries as may take part in the service. Under the commission's project, subject to the consent of the contracting parties, there may be included in the direct transportation route those European countries with which the Soviet Union has concluded railroad conventions and with which direct communication has been established.

Adjustment of Polish-Soviet Border Incidents

The Soviet-Polish commission, with equal representation for both parties, which began its negotiations on August 20 for the settlement of important border incidents, completed its work on August 25.

Poland paid 11,450 gold rubles as indemnification for losses resulting from the raid on the

border post at Shchiliki and for damages to the peasants' fields and also undertook to return seized Soviet border guards and horses in exchange for Polish border guards held by the Soviet Union.

Simultaneously the representatives of Poland undertook to discontinue the illegal practice of bringing forcibly private citizens across the Soviet frontier. An agreement has been arrived at concerning the struggle against bandits crossing the frontier.

Both sides undertook to issue strict orders concerning the cessation of border incidents in the future.

Confirmation of Spitzbergen Land Claims

The Norwegian diplomatic mission recently transmitted a note to the People's Commissariat for Foreign Affairs of the Soviet Union advising that, in accordance with the decision of the Spitzbergen Convention of February 9, 1920, the Spitzbergen Archipelago and Bear Island would pass under the sovereignty of Norway beginning with August 14, 1925.

All citizens and organizations who have previously laid claim to any part of Spitzbergen must submit their claims through their respective Governments to a specially designated Danish commission within three months from the above-mentioned date. In order to have their claims to tracts on Spitzbergen confirmed, interested citizens and organizations must present special affidavits defining in detail the boundaries of the parcels of land to which they lay claim, together with a map drawn to a scale of 1:1,000,000 with the tract clearly indicated thereon, and likewise accompanied by a sum of money amounting to 23 cents for each acre of land covered by the claim. It is desirable to attach documents to the statement substantiating the right of the affirmer to his parcel of land.

Declarations by Soviet citizens will be received by the Mining Division of the Chief Economic Department of the Supreme Council of National Economy for presentation to the Danish commission through the People's Commissariat for Foreign Affairs. Claimants not presenting their declarations within the required term (by October 15, 1925, in the Soviet Union) will lose their rights to their tracts of land on Spitzbergen Archipelago and Bear Island.

New Head of Soviet Trade Delegation to Great Britain

On August 18 the Council of People's Commissars of the Soviet Union appointed Mr. Mikhail Ivanovich Khlopliankin to the post of Soviet Trade Delegate in Great Britain.

Cultural Life in the Soviet Union

Contemporary Russian Prose Writers

ALMOST all the products of Russia's young literary workers are devoted to the Revolution and its influence upon the most varied aspects of existence. While the country's youthful writers thus represent quite a new departure for Russian literature with respect to their themes, at the same time they are intimately bound up with the cultural heritage of the past.

The new literature may be considered to have started in 1921 with the appearance of B. Pilniak and the writers grouped under the name of the "Serapion Brothers." Pilniak, very markedly under the influence of Andrey Byely, became prominent through a series of short stories and the novels, "The Hungry Year" and "The Third Capital." These works give very vivid pictures of revolutionary life in the provinces. Of the "Serapion Brothers" Vsevolod Ivanov has acquired the most fame. His themes are the civil war and the "partisan" (i.e., guerrilla) movement in Siberia and the Far East. The best known of his writings are two short stories entitled "Partisans" and "Armored Train No. 1469" and his novel "Blue Sands."

Another of the "Serapion Brothers", Mikhail Zoshchenko, is a talented humorist. His "Tales of Nazar Ilyich Sinyebriukhov," written in the first person as if related by a soldier with their retention of the peculiar mixture of factory and petty townsfolk slang, are very popular with the present-day public. Zoshchenko was brought up on Gogol and Leskov.

During the past two years a number of new writers have come to the fore. Great popularity is enjoyed by I. Babel, who has written a group of stories connected with the battles of Budonny's cavalry forces along the Polish front and some tales about the life of the bandits of Odessa. The contemporary Russian critics regard Babel as a great stylist.

The young woman writer, L. Seyfulina, is enjoying great success. Especially prominent is her novel "Virineya," which has run through several printings in a short time. The heroine of the story is a woman of the present Russian village. This novel is being adapted to the stage in a studio of the Moscow Art Theatre.

Quite recently a youthful writer by the name of L. Leonov has made himself prominent. He is the author of a number of short novels in which the critics see a close bond with Dostoyevsky and Alexey Remizov, the well known writer of the symbolist school.

The writings of the above-named authors have been printed mainly in the magazine "Krasnaya Nov," issued by the State Publishing House, and in the Almanacs of the Publishing House "Krug."

Recent years have also witnessed a large growth of proletarian literature. The proletarian writers are now united in the "All-Russian Association" and they have their own magazine, "October," together with a theoretical organ called "On Post." Yuri Libedinsky, one of this proletarian group, has won fame through his novel "A Week," which aroused much comment in the press. The same author has produced the novel "Tomorrow," which is an attempt to forecast the future life of the Russian working class.

In addition to the works of Libedinsky, renown has also been acquired by those of Artem Vesoly, still quite young as an author, who has published "Ardent Heart" and "Burning Rivers."

"Cement" and other novels by F. Gladkov are also popular. To the group of writers that arose before the Revolution belongs A. Serafimovich, who recently published a novel entitled "Iron Torrent" with a theme based on the civil war.

Of the old writers A. N. Tolstoy is active at the present time. He has written a fantastic novel called "Aelita" with Mars as a setting and a short story entitled "Ibicus." The hero of the latter is an adventurer who is forced to live through the most unexpected incidents as a result of the revolution and civil war.

Andrey Byely, who has written the highly valued "Recollections of Alexander Blok" and his times, also published the first chapters of his novel "Moscow" recently. M. Gorky published his remarkable reminiscences in the "Krasnaya Nov" magazine.

A heated controversy has been provoked by V. Veresayev's novel "In a Blind Alley," which treats the traditional subject of the relation of the intelligentsia to the people and the Revolution.

System of Public Education in Soviet Russia

THE system of public education has been designed by the People's Commissariat for Education as a unified school consisting of several divisions which are organically interconnected. The unified school concentrates its attention on the occupational pursuits of the people and on the organization of social labor. This is the pivotal subject of the whole program of the unified vocational school in all its divisions.

The first division embraces the ages from 8 to 12 years, its purpose being to teach children the three R's, and some understanding of the life around them.

The second division is divided into two sections. The first section includes the ages from 12 to 15 years, giving the children a more complete acquaintance with the occupational pursuits of the people and the forces and laws which govern nature and social life, and training the pupils to be enlightened citizens of the Soviet Republic.

The second section of the second division embraces the ages from 15 to 17 years, its purpose being to train conscious builders of the new life, whatever the respective spheres in which the pupils are to be active in the future. This section furnishes the pupils with a clear understanding of the problems confronting the Soviet authorities and of the methods for their solution.

It is from the second section of the second division that the pupils are selected, according to their manifested inclinations and abilities, for further study in the colleges and universities. The second division school is closely connected with a definite branch of production, which the pupils study both theoretically and practically.

There exist special schools for young people who did not have the advantage of elementary education.

There is a number of industrial schools at the factories, closely connected with the system of production and including a curriculum of general subjects similar to that of the first section of the second division. Peasant children have similar schools, based on agriculture and kindred pursuits. Similar craft schools also exist for non-industrial districts, where the children are taught the various crafts in combination with a curriculum of general subjects corresponding to the first section of the second division.

The next stage after these special factory, peasant and craft schools is the technical school, in which the general curriculum corresponds to that of the second section of the second division. It receives children who graduated from the factory, peasant and craft schools, giving them a more detailed acquaintance with their particular pursuits. The technical school serves as a preparatory stage for the superior technical college.

Teachers are trained in the superior pedagogical academies. The pedagogical academies are also based upon the industrial principle, taking direct part in the promotion of popular education in their respective districts. The system of popular education in the R.S.F.S.R.* is supplemented by the organization of adult schools, both for the instruction of illiterates and for the purpose of imparting special industrial or agricultural knowledge to literate adults of limited education.

In addition to the schools in the proper sense, there are numerous educational establishments for raising the cultural level and political understanding of the population at large. Such are the Reading Cabins, People's Homes, Libraries, Peasants' Homes, Clubs, etc.

Collection of National Minority Folklore

The following collections of folk-songs were recently published and prepared for publication: "Crimean Songs", "Kirghiz Melodies", "Oriental

*Russian Socialist Federated Soviet Republic (Soviet Russia proper).

Songs", "Musical Poems of Bokhara", and an anthology entitled, "Songs of the Nationalities of the Soviet Union." Of tremendous interest in the collection are the Votyak songs collected by Herd, the Mordvinian songs collected by Markolov and the Vogul songs collected by Plotnikov.

Ethnographical concerts arranged in the different cities of the Soviet Union are meeting with invariable success. The concerts given at Moscow during the present season included Crimean songs, Oriental songs, music and dances, Ukrainian songs and lays, and the music of the races of the Northern Caucasus.

A musico-ethnographical expedition left on June 28 for the Adigheh-Circassian district for a prolonged period of activity. A symphony concert will be given by the expedition at Krasnodar, where two recently collected cycles of Circassian music will be illustrated. From Krasnodar the expedition will proceed to the Caucasus to engage in further collection of folk music.

Cultural Life in the Tatar Republic

The pedagogical forces of Kazan, the capital of the Tatar Republic, are devoting great attention to the compilation of Tatar textbooks in compliance with the latest instruction programs. In connection with the adoption of the Tatar language in the official institutions, a manual of the Tatar language for Russians has been issued.

For the purpose of studying the national culture, folklore, historic documents and ancient manuscripts are being collected; a dictionary of the language of the Kazan Tatars is being compiled, and researches in ethnography and archeology are being conducted. The Central Eastern Library-Museum is being brought into shape, and the sections on archeology, ethnography, natural history, pure and applied arts are being augmented. The Ethnographical Section contains collections on the culture of the Kazan Tatars, the Kirghiz Cossacks, the Kalmucks, the Chuvashes, etc. There is also a collection of objects of the Buddhist cult from China and Japan.

The Tolstoy Centenary

September 10, 1928 will mark the 100th anniversary of Leo Tolstoy's birth.

In commemoration of this event the Government of the Soviet Union has decided to carry out the following measures: to transfer the Moscow Tolstoy Museum from its present wooden building into a permanent edifice; to repair the Moscow Home of Tolstoy and all the buildings at Yasnaya Polyana; to reconstruct Tolstoy's working rooms at Yasnaya Polyana; to supplement the collections of the Tolstoy Museum and organize a research institute and exhibition; to issue a centenary edition of Tolstoy's works, and to convert the Yasnaya Polyana infirmary into a district hospital.

Miscellaneous News

International Motor Trials in the Soviet Union

In the 3000-mile international motor trials, which have just been concluded in the Soviet Union, covering a period of thirty days, American touring cars took seven of the fifteen major prizes and American trucks took four of the five major prizes. The triumph of the American cars was not unexpected.

Nearly 100 motor cars and fifty trucks, including the principal makes of the United States, Germany, France, Italy and Austria, and some English cars, participated in the trials. The passenger cars covered a route of 3000 miles, from Leningrad to the Black Sea and return to Moscow, and the trucks covered 1200 miles. Heavy rains and washouts were encountered over part of the trip. Demonstrations were given in the principal towns on the route.

The awards are as follows:

The passenger touring cars were sent off in three columns or groups, prizes being awarded for each column.

First prize offered by the State, for best general performance: First column, Mercedes; second column, Buick; third column, Steyer.

Prize for solidity and endurance: First column, Studebaker, second grade Cadillac; second column, Buick, second grade Pierce Arrow; third column, Austrodaimler, second grade Steyer.

Prize for economy of operation: First column, Fiat; second column, Buick; third column, Praha.

Speed prize: First column, Mercedes; second column, Buick; third column, Austrodaimler.

Trucks, State prize for general performance, Mercedes. Economy of operation, G. M. C. Passing ability, White. Endurance and solidity, Pierce Arrow. Passing ability, second grade, Dodge.

The valuable prizes awarded the American firms were accepted for them by the representative of Amtorg Trading Corporation, of 165 Broadway, New York, which was instrumental in bringing over the American cars. The trials were managed jointly by the Automobile Club of Moscow and the Board of Road Transport of the Soviet Government.

New Gusher in Grozny Oil Field

A new gusher struck in the Grozny oil field on August 17 yielded 100,000 poods of petroleum every 24 hours, but its flow was artificially cut down to 18,000 poods per 24 hours, owing to the absence of reservoirs large enough to store such a large output.

Ratification of Postal Convention

Late in August the Presidium of the Central Executive Committee of the Soviet Union decided

to ratify the following convention and agreements signed by the Soviet delegation to the International Postal Congress at Stockholm: the international postal convention, the agreement regarding postal money orders, and the agreement with regard to letters and parcels of declared value.

Many New Airplane Lines Planned

According to a statement issued during the final part of August the Volunteer Air Fleet ("Dobrolot") plans to open new airplane lines over numerous land and water routes. At the present time the aggregate length of all the aerial transportation lines under operation in the Soviet Union is 11,978 kilometers.

Soviet Plane Completes Moscow-Tokyo Flight

During the afternoon of September 2 a Soviet airplane landed in the aerodrome at Tokorozava in the vicinity of Tokyo, thus completing the Moscow-Tokyo flight.

Erection of Fifty New Grain Elevators

During the latter part of August it was announced that the Grain Products Corporation ("Khlebprodukt") plans to erect fifty new grain elevators of the rural type in the course of the fiscal year 1925-26.

FINANCIAL STATEMENT

of the
Issue Department
of the
SOVIET STATE BANK
on September 1, 1925

Assets	Chervontsy
Gold (coin and bullion)	16,837,541
Platinum (bullion)	2,369,779
Foreign Bank Notes (at rate of £1=9 rubles and \$1=1.94 rubles)	4,685,266
Drafts in Foreign Currency for the total am't of 188,100 cherv., less regular discount.	169,290
Discounted bills in chervontsy 51,058,064 less regular discount	46,852,257
Securities covering advances on goods 95,- 407 less regular discount	85,867
Total	71,000,000
Liabilities	Chervontsy
Notes transferred to State Bank	70,276,865
Balance to which notes may still be issued..	723,135
Total	71,000,000
71,000,000 chervontsy equal 710,000,000 gold rubles.	

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Mineral Resources of the Soviet Union

THE systematic study of Russia's coal-bearing basins coincided with the rise of the metallurgical industry, which marked the second half of the eighties and the first half of the nineties of last century. This is especially so in the case of South Russia, where a number of metallurgical plants were built during the period in question and railroad construction went forward intensively. This circumstance called forth, on the one hand, the expansion of the iron ore industry of South Russia, particularly of the Krivoy Rog deposits, and, on the other hand, the rise of the coal industry in the Donets coal basin and in other secondary coal fields.

In conjunction with this a number of detailed undertakings were planned for the geologic survey of the coal basins. Beginning with the year 1892, when the detailed geological mapping of the Donets coal basin was started on a scale of one inch to the verst, all the most important coal-bearing regions in the European and Asiatic territories of the Soviet Union were geologically studied before the Revolution. The results of the work carried out at that time are summarized in a special publication of the Geological Committee, "Outline of Russia's Mineral Coal Deposits," resting upon a tremendous amount of scientific survey data. On the basis of this report it is possible to form a more or less definite conception of the Soviet Union's mineral coal resources, which are estimated at approximately 465,000,000,000 metric tons, constituting about 6.3 per cent of the world's total reserves and placing the Soviet Union fourth after the United States, Canada, and China in the order named.

The work of surveying the country's coal reserves did not cease even during the revolutionary period. The exploration work was continued, and when the country's principal coal resources were cut off at one time during the civil war, special attention was given to the coal fields of Central Russia in the Moscow and Borovichi regions.

These survey operations quickened with the termination of the civil war and are now going forward at a steadily increasing rate. And not only are the undertakings of the previous period being continued and in part completed, but new surveys are also contemplated. During 1924 a new coal-bearing region was discovered in the Northern Ural in the area drained by the right-hand tributaries of the Pechora River. Publish-

ing activities covering the results of the expeditions are likewise more extensive. In 1920 the Geological Committee had already published a geological map of the entire Donets coal basin on a scale of ten versts to the inch and had commenced to issue more detailed maps on scales of three and one versts to the inch.

At the same time far-reaching work was inaugurated and is still being conducted with regard to the study of the technical and other properties of mineral coals.

Up to the beginning of the twentieth century the exploitation of Russia's oil-producing regions had been carried on without adequate scientific guidance, and this cost the nation a pretty penny. It may be confidently asserted that the unsystematic exploitation of oil pools "on the blind," so customary during the pre-revolutionary period, wasted at least half of the reserves in these pools.

The systematic exploration of the oil-bearing regions of Russia began in 1901, when a number of secondary deposits in Transcaucasia and the northern slope of the Caucasus were subjected to investigation. And it is only in 1903, after their wells had been worked for thirty years, that the systematic survey of the world-famed Baku fields was begun. It must be definitely stated that during the ensuing period right down to the commencement of civil war less attention was devoted to them than their importance deserved. Even up to the present day there is no geological map of the Apsheron Peninsula, despite the fact that surveys have been under way for over twenty years. The reason for this lies in the slow pace at which the work was carried on during the preceding period.

During the period extending up to the Revolution much work was done toward the investigation of a number of oil-bearing regions. To say nothing of all the oil regions of the Caucasus that were more or less worthy of attention, surveys were conducted in the Ural-Emba area, in the Transcaspian territory (Cheleken Island and other localities), in Ferghana, Ukhta and Sakhalin.

The results of all this work were summed up in a comprehensive article inserted in the fourth volume of "Useful Minerals," published by the Academy of Sciences (Permanent Commission for the Study of the Natural Productive Forces of Russia) and compiled by the Geological Committee. This work, resting upon a number of detailed and extensive surveys, shows that, not-

withstanding the great amount of investigation carried out, no definite conception of the Soviet Union's petroleum resources has been formed as yet. Even in the case of the most thoroughly explored fields, such as those of Baku and Grozny, it is as yet impossible to speak of the actual reserves.

The reason for this is, on the one hand, the fact that the conditions under which the petroleum lies in the field pools have not been established with sufficient clarity, and, on the other hand, the decided shortage of scientific data due to inadequate surveying. Hence arises the problematic character of the statistical data on the basis of which an estimate of the Soviet Union's petroleum resources is attempted. It is therefore not surprising that the differences in the calculated reserve totals are very considerable. The Soviet geological departments are now not engaged in calculating the country's petroleum resources, but merely in devising methods for such calculation, so that in this regard there is still an immense amount of work ahead.

It must be remarked that not only has little been done with regard to a reliable estimate of the petroleum reserves of the country, but that likewise extremely little has been done toward the more or less complete exploration of the country's aggregate stock of lands showing signs of oil or the possibility that oil may be present.

During the period of civil war up to the year 1920 the most important oil regions were inaccessible to the Soviet authorities. The Government was thus constrained to search for petroleum in the territory remaining in its control. Notwithstanding the extreme difficulty of the situation, the Government appropriated part of its meager resources and organized the work of prospecting for oil-bearing regions. Thus, beginning with 1919, the oil fields of the Volga region were investigated. During 1918 and 1919 two expeditions were sent to the Ukhta oil-bearing region. With the end of the civil war and the resumption of operations in the major oil-producing areas, interest in the secondary fields subsided and the prospecting work there was gradually discontinued. But, undoubtedly, when the question of determining the Soviet Union's total petroleum resources comes up on the order of the day, it will be necessary to turn to these minor oil regions once more in order to establish definitely whether or not they possess any commercial interest.

It still remains to mention that the work of the Far-Eastern Division of the Geological Committee has shown the existence of oil outlets in Kamchatka and in the western part of Sakhalin, where a large expedition was sent during the current year in connection with the Soviet-Japanese agreement.

Still less is known about the Soviet Union's peat resources. In this case no systematic sur-

vey has been made. The reserves in individual peat bogs are known, but no general estimate of the country's peat reserves has been effected.

Matters are the same as regards the exploration of the Soviet Union's oil shale resources. During the summers of 1918 and 1919 a geological survey of the oil shales in the Volga region around the cities of Simbirsk and Syzran was carried out, and an estimate of the reserves was drawn up on this basis. The vast shale area in the Obschiy Syrt mountains still remains unsurveyed. Here it must be observed that extensive work on the elaboration of methods for the utilization of oil shales as fuel, on the one hand, and as a source of shale pitch, on the other, was first carried out during the Soviet period; and in conjunction with this a series of researches was conducted for the development of scientific methods of using shale pitch as a basic material for the derivation of other valuable products, such as ichthyol.

The question of exploring the sapropel deposits and of employing them effectively as a source of paraffin, mineral wax and other petroleum-like products was raised for the first time during the Soviet regime.

Simultaneously with the quickening growth of the iron ore industry in South Russia during the nineties of the past century, the survey of the iron ore resources in this region was begun. At about the same time the investigation of the iron ore deposits in the South Ural territory was started, and, moreover, with the construction of the Trans-Siberian railway trunk line the exploration of the iron ore regions of Siberia was commenced. At the time when the Soviet Republic was encircled by an iron ring of White-Guard armies and found itself cut off from the principal sources of iron ore in South Russia, in the Ural and in Siberia, intensified attention was devoted to the search for iron ore deposits in the central region of Russia.

When the World War began the status of knowledge covering the distribution of iron ore deposits in Russia was such that it made it possible to ascertain the reserves of these ores and place the total for the European part of the Soviet Union (South Russia, the Ural, the Central Region, and the Caucasus) at 120,000,000,000 poods in round figures, including 50,000,000,000 poods of iron.

At various times before the revolutionary period geological science paid much attention to the survey of the gold and platinum-bearing regions in the Ural and Siberia. Among these should be mentioned the study begun in 1893 covering the Siberian gold-bearing districts in the Yenisei-Minusinsk, Lena, and Amur-Maritime regions. The result of these explorations was the collection of an enormous amount of scientific data, which has not only served as a basis for estimating the Soviet Union's gold and platinum resources, but has also been useful in the exploita-

tion of these gold and platinum deposits. It would lead too far afield to recount what has been done toward the investigation of the Soviet Union's non-ferrous metal deposits—silver, lead, zinc, copper, and tin. It may be merely mentioned here that all the results of these surveys have been summed up in a separate large volume compiled by the Geological Committee and published by the Russian Academy of Sciences.

At this point it is necessary to dwell upon some very important achievements of the Soviet period with regard to the location of useful mineral deposits by geophysical exploration methods. Foremost in this connection stands the investigation of the Kursk magnetic anomaly, begun in 1919 and still under way. The magneto-metric system of surveying applied in this instance yielded brilliant results insofar as the method itself was concerned. However the practical significance of the quartzite iron ores discovered by the aid of this prospecting method may be judged at present, the international importance of the work cannot be denied, since it has solved the problem of the cause of the greatest magnetic anomaly in the world, so that from this point of view it represents one of the greatest achievements of Soviet science.

Electrical prospecting should be mentioned among the other geophysical methods. This method, which is being employed abroad, is kept secret and the Soviet scientists had to work out its principles and practical application independently. Splendid results have now been attained in this connection. Thus, during the current year perfectly concrete results were obtained from its application to the prospecting operations for metallic ores in the Ural, the Kirghiz Steppe, and the Altai.

Noteworthy among the most recent prospecting work is the exploration of the Noril platinum deposits near the mouth of the Yenisei River. The important practical results of this work led to the equipment of a large expedition, which set out for this field during the current year in order to settle the question of instituting the commercial exploitation of the deposits.

The foregoing treatment of this subject has touched only upon the investigation of the country's mineral resources, but hand in hand with this has gone the no less important work of studying the technical properties and quality of useful minerals with a view to their most effective utilization. In the future this phase of the work is bound to stand foremost and play a guiding role in the industrial development of the Soviet Union.

It may now be concretely observed that in connection with the definite advance noticeable in all branches of the country's economic life there is evident an unprecedented increase of scientific investigation. Science is summoned to lead the Soviet Union's economic development, and science

and labor are undergoing a process of genuine unity never witnessed before.

The celebration of the two-hundredth anniversary of the Academy of Sciences coincided with the realization of the intimate bond between science and labor which is destined to have a profound effect on the future progress of the Soviet Union.

Industrial Progress

THE table below gives the value at pre-war prices of the output of the steadily operated State industries of the Soviet Union for the first nine months (October 1, 1924 to June 30, 1925) of the fiscal year 1924-25 as compared with the total for the corresponding period of the preceding fiscal year:

	Fiscal Year 1923-24 Output in Pre-War Rubles	Fiscal Year 1924-25 Output in Pre-War Rubles	Increase Over 1923-24 Per Cent
First Quarter	353,830,000	554,826,000	56.8
Second Quarter	385,772,000	626,220,000	62.3
Third Quarter	388,558,000	660,211,000	70.0
Total	1,128,160,000	1,841,257,000	63.2

As these figures show, the increase in production for the first three quarters amounted to 713,097,000 pre-war rubles, or 63.2 per cent, as compared with the same three quarters of the previous fiscal year, and 287,889,000 pre-war rubles, or 18.5 per cent, as compared with the total output value of 1,553,368,000 pre-war rubles for the entire preceding fiscal year.

Development Program for Peat Industry

A special conference recently held to consider the restoration of the basic equipment of the State industries under the guidance of the Supreme Council of National Economy drew up a program for the development of the Soviet Union's peat industry during the next five fiscal years from 1925-26 to 1930-31.

The gradual expansion of the peat industry will begin during the fiscal year 1925-26, when the aggregate production will be brought up to 204,000,000 poods, an increase of 25 per cent over the output for the fiscal year 1924-25, ended September 30, 1925. Thereafter there will be an annual production advance of 10 to 15 per cent, so that the output for the fiscal year 1930-31 will reach 300,000,000 poods.

The chief consumer of peat is the textile industry, which takes 55 per cent of the total production. Next come the regional electric power stations.

The production cost of peat is being reduced year by year. Thus, as compared with the pre-war standard, the cost of turning out peat fuel

amounted to 200 per cent in 1923-24, and 165 per cent in 1924-25, while a further decline to 131 per cent is scheduled for 1925-26. The realization of the plan of drying peat by machine methods will bring about a further reduction in the cost of production.

Before the war Russia's entire mechanical equipment in the peat industry amounted to 1,296 machines. During the fiscal year 1925-26 the Soviet Union will have 1,307 machines in operation, a considerable part of them being new. In the course of the next five years the sum of 38,000,000 gold rubles will be expended for the further renewal of basic equipment in the peat industry. Of this total 10,000,000 gold rubles will be spent during 1925-26.

The "Dnieprostroy" Project

A COMMITTEE attached to the State Planning Commission of the Soviet Union and headed by Mr. Leon Trotsky has studied the feasibility of carrying out the project for the construction of a combined power plant and industrial works known as the "Dnieprostroy." The plans entail the damming of the Dnieper River and the erection of an electric power station with a capacity of 300,000 horsepower. It is calculated that this plant would yield 1,200,000 kilowatt-hours a year.

The execution of this undertaking will require six years and the expenditure of 130,000,000 gold rubles, not including the cost of erecting the new metal works that are to be connected with the enterprise. The aggregate outlay for the project as a whole is estimated at 375,000,000 gold rubles. The cost price of current generated by the "Dnieprostroy" hydro-electric plant will range from 0.42 kopeks per kilowatt-hour for service furnished at Zaporozhye (formerly Aleksandrovsk) to 1.23 kopeks per kilowatt-hour for service supplied at Kharkov, to which current will be carried over a special transmission line.

Current from this hydro-electric station will later be transmitted to Kherson, Nikolayev, and Grishino. The whole stretch of railroad between Dolghintsevo Station and Debalshevo will be electrified.

The hydraulic work in the channel of the Dnieper will assure a stream depth of 4.26 meters between Zaporozhye and Ekaterinoslav, so that it will be practicable to float deep-draft barges from Ekaterinoslav to Kherson.

It is proposed to give the lower Dnieper a deep water channel throughout its course from Zaporozhye to Kherson by means of two dams. The depth of the lower Dnieper will be brought up to between 5.5 and 6 meters.

The freight turnover of the port of Zaporozhye will be increased to 265,000,000 poods a year. It

is planned to build a free port on Khortitsa Island, a little above Zaporozhye.

The Zaporozhye railroad junction will also be reconstructed to cope with the impending growth of the southern metallurgical industry and the new metallurgical centers to be created in Zaporozhye itself, in Krivoy Rog, Nikopol, Ekaterinoslav, and Yuzovka. The "Dnieprostroy" power project itself entails the construction of new railway lines and two large bridges.

It is also proposed to improve the flats of the Dnieper and enlarge the port of Kherson.

Borings and geological surveys have already been made to clear up the character of the ground where the works will be located. Over two hundred borings have been taken. Hydrographical studies of the Dnieper River have also been carried out.

In a report rendered to the Council of People's Commissars of the Ukrainian Soviet Republic on August 2, 1925, Mr. Trotsky stated that the committee requires 950,000 gold rubles for supplementary studies to verify the calculations of the "Dnieprostroy" project and to procure the services of highly qualified foreign experts, chiefly Americans.

If native capital does not suffice, it will be necessary to attract foreign funds. Naturally, the entire combination development of power and industry would not be turned over to foreigners as a concession, but part of it may be granted without injuring the "Dnieprostroy" undertaking as a whole. The granting of concession credits may be expected.

The power developed by the "Dnieprostroy" project may, of course, be utilized for agriculture, too, and this possibility is extremely important. However, the "Dnieprostroy" enterprise will possess its principal significance in connection with industry, which will be the chief consumer of electric power and will render possible a steady 24-hour utilization of the station's output. This power project will be especially important, not for the production of iron, but for the more expensive metals, such as ferro-manganese, aluminum, and others of the non-ferrous group.

PAMPHLETS

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RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

Soviet Exports and Imports

WITH the resumption of grain shipments, exports from the Soviet Union for August set a new high monthly figure for the Soviet fiscal year ending September 30, according to preliminary customs statistics. Exports for the month were valued at \$26,400,000 and imports at \$23,500,000. The figures are for the European frontiers only.

The statistics show a resumption of the favorable trade balance after an adverse balance extending over a period of five months. The unfavorable balance was the result of the poor harvest of 1924, which led to the cessation of grain exports that ordinarily would constitute over 50 per cent of the total exports.

Exports and Imports According to Countries

The table below shows the exports and imports of the Soviet Union for the first nine months of 1924-25, according to the various countries in thousands of gold rubles, at current prices:

	Exports to	Imports from	Turnover	Percentage of Total Turnover
	Thousands of Gold Rubles			
England	124,414	82,764	207,178	26.1
United States	17,480	125,237	142,717	17.9
Germany	53,980	68,851	122,831	15.4
France	13,353	6,326	19,679	2.5
Latvia	54,253	2,001	56,254	7.1
Other Countries ..	86,596	159,438	246,034	31.0
Total.....	350,076	444,617	794,693	100.0

Soviet Fish Exports

Information recently issued by the head of the Fish and Caviar Bureau of the People's Commissariat for Foreign Trade shows that the Soviet Union's exports of fish products during the fiscal year 1924-25, ended September 30, 1925, considerably surpassed the total for the foregoing fiscal year. The value of fish product exports for 1924-25 had been forecast at approximately 6,000,000 gold rubles when the program was established. By August 1, 1925, i.e., after the expiration of the first ten months of the fiscal year, the exports of fish amounted to 220,000 poods, valued at about 1,600,000 gold rubles, together with about 20,000 poods of caviar (almost all of the black variety), worth over 3,500,000 gold rubles, making a total of more than 5,100,000 gold rubles.

Poland is the principal export market for Soviet fish products. Last year keen competition was encountered in this market on the part of German, Austrian, and Czechoslovakian fish merchants. This year the energetic activity of Soviet

export organizations, especially of the State Trading Office, succeeded in winning a firm position on the Polish market. Sixty per cent of Poland's total fish imports were covered by Soviet shipments, consisting exclusively of certain Volga and Caspian varieties in fresh or frozen condition.

The second most important market for Soviet fish is Germany, which used to be the principal outlet for Russian fish products before the war. As yet it absorbs only limited quantities of Soviet fish products, and it is only recently that there has been a marked increase noticeable in Germany's demand for Soviet fish products.

As for caviar, the sale of the black variety (both granulated and pressed), has been proceeding normally. Only the disposal of red caviar is meeting with certain difficulties.

For the fiscal year 1925-26, which opened on October 1, the Fish and Caviar Bureau of the People's Commissariat for Foreign Trade is including among its aims increased exports of cod-liver oil, the skins of marine animals, and also fish scales.

Oil Exports from the Soviet Union

Oil exports from the Soviet Union during the first eleven months of the current Soviet fiscal year (October 1 to September 1) aggregated 1,247,000 metric tons. The exports showed an increase of 111.3 per cent over the same period of last year. Exports during the full year of 1913 aggregated 914,132 tons.

Mazut (fuel oil) and benzine figured most prominently in the export total for the eleven-month period. Kerosene and lubricating oils were showing a tendency to decrease.

Oil exports during August broke all Russian records for one month. The total was 166,700 tons, an increase of 20.4 per cent over July, and of 172 per cent over the export figure for August, 1924.

Manganese Exports

Exports of manganese from Chiaturi, in the Soviet Union, which were interrupted while the mines were in process of being transferred to the Harriman concessionary, were resumed September 1. During September the Harriman company, known as the Georgian Manganese Corporation, exported 23,000 tons of washed ore and 1,019 tons of manganese peroxide. The Company plans to export 30,000 tons during October.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 arshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 dessiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$5.14.
- 1 kopeck equals .01 of a ruble.
- 1 chervonetz equals 10 gold rubles; its gold parity is \$5.14.

Economic Reconstruction Plan for Soviet Central Asia

ON August 27, after considering the requisite reports, the State Planning Commission of the Soviet Union adopted the following economic program for the Central Asiatic Republics and Autonomous Regions during the fiscal year commencing October 1, 1925:

During the fiscal year ended September 30, 1925 the irrigated area in this territory amounted to 2,153,000 dessiatins, as compared with 3,425,000 dessiatins before the war. There are now 1.4 dessiatins of irrigated land per farm, whereas there were 2.3 dessiatins before the war. This small supply of suitable farming land results in a very small agricultural income accompanied by insufficient employment of the labor force available in the rural districts.

For the purpose of increasing the cotton area from the total plantings of 384,000 dessiatins for 1924-25 up to 687,000 dessiatins in 1925-26, the Presidium of the State Planning Commission has recognized the necessity of expending an aggregate of about 44,200,000 gold rubles on irrigation work in Central Asia. In order to carry out this plan, 25,000,000 gold rubles are to be appropriated from Federal resources and the remainder is to be derived from local resources.

To assist the peasantry it is necessary to import at least 9,000,000 poods of grain into Central Asia. Grain and cotton prices are to be fixed at a level which will enable the peasants to increase their farming capital with the proceeds from the sale of their output. The population of Central Asia must be accorded credit assistance for the acquirement of draft animals up to a value of 3,000,000 gold rubles. For the extension of tractor farming 500 foreign tractors will have to be imported, and the peasantry's requirements of minor agricultural equipment must also be met. In addition to the expansion of cotton growing, aid must also be rendered to other branches of agriculture, such as dry farming, the cultivation of drought-resistant fodder grasses, the production of sugar-beets, grape growing, gardening, silk culture, and live-stock raising, especially for the production of karakul. In the cotton growing regions all the other forms of agricultural co-operative activity (machine supply, live-stock raising, and soil improvement) are to be centered around the cotton cooperatives.

In order to extend the working up of the cotton crop eleven new cotton ginning mills are to be constructed and two textile factories are to be set up, one in the Uzbek Republic and the other in the Turkoman Republic, each with 10,000 spindles and an output worth 1,750,000 gold rubles. In view of the urgent need of cement a plant for its

manufacture will be built in Uzbekistan (Uzbek Republic). Besides this, a glass factory is to be established in the Turkoman Republic during the current year, and a tannery and a canning factory will be constructed in Tashkent. The sum of 200,000 gold rubles is to be appropriated for the further development of the salt industry in Turkmenistan (Turkoman Republic), and 20,000 gold rubles will also be expended on preliminary work for salt production in Uzbekistan. An appropriation of 100,000 gold rubles is to be made for the extension of gold mining in the Tajik Republic, and an equal amount is to be allotted for the establishment of a chemical wood pulp and paper mill in the Uzbek Republic. A total of 277,000 gold rubles, including 192,000 gold rubles for the creation of a new printing plant in Samarkand, is to be devoted to the development of printing and allied arts. The "kustar" (home-craft) industry is to be supported by an appropriation of 400,000 gold rubles. The sum of 480,000 gold rubles is to be spent on the development of the local petroleum industry, while 300,000 gold rubles are to be expended on the coal industry in Uzbekistan. Altogether, about 6,800,000 gold rubles will be disbursed for industrial construction, including 1,000,000 gold rubles for building three grain elevators, 160,000 gold rubles for the repair and reequipment of three flour mills, and 10,000 gold rubles for the production of sulphur.

The amount of 1,786,000 gold rubles is to be expended for completing the hydro-electric power station on the Boz-su River in Tashkent (Uzbek Republic), for finishing the Alamedinsk power station in the city of Pishpek (Kirghiz Autonomous Region), and also for the enlargement of the electric light stations in the new administrative centers. An appropriation of 300,000 gold rubles will be devoted to surveying operations for the establishment of regional power stations in Central Asia.

Transport work in Central Asia is to receive an appropriation of 6,800,000 gold rubles, including 3,700,000 gold rubles for surveying and constructing new railroad lines, about 1,700,000 gold rubles for the reconstruction of local roads, and 1,400,000 gold rubles for water transport.

Over 2,400,000 gold rubles are to be spent on the development of the system of public communication (radio, telegraph, telephone and post).

More than 5,800,000 gold rubles will be devoted to municipal construction work, embracing the erection of government buildings, dwellings, schools, hospitals, and an aqueduct for the city of Leninsk (formerly Charjui).

To carry out all the above-mentioned measures 53,600,000 gold rubles will be appropriated in the Federal budget for 1925-26.

During the fiscal year 1925-26 the Central Asiatic territory of the Soviet Union will import from other parts of the U.S.S.R. and from abroad

139,000,000 gold rubles' worth of industrial goods. The exports of raw materials and goods from Central Asia to other parts of the Soviet Union for the same period will amount to about 222,000,000 gold rubles, including cotton products valued at 180,600,000 gold rubles, live-stock products to the value of 23,700,000 gold rubles, and 15,200,000 gold rubles' worth of gardening and farming products. This total is distributed as follows among the individual Republics in Central Asia: Uzbekistan—189,200,000 gold rubles; Turkmenistan—23,600,000 gold rubles; and Kazakistan (Kirghiz Republic)—9,000,000 gold rubles.

According to the program the shipments of raw materials from Central Asia to other parts of the Soviet Union during the fiscal year 1925-26 will constitute 50 per cent of the pre-war volume and will increase threefold in comparison with the fiscal year 1923-24.

Housing Problem in Moscow

THE population of Moscow is steadily increasing and now exceeds the pre-war total, as the following table demonstrates:

Year	Moscow Population
1912	1,618,000
1918	1,716,000
1920	1,027,000
1923	1,543,000
1924	1,800,000
1925 (August)	2,000,000

Thus, in August of this year the population of Moscow showed an increase of 382,000 persons, or 23.6 per cent, over the figure for 1912.

Meanwhile, as the next table illustrates, the amount of living space has decreased during this time in comparison with the situation before the war.

Year	Number of Apartments
1912	231,500
1920	190,000
1923	192,000
1925	200,000

The deterioration and diminution of dwelling quarters proceeded unchecked until 1922, after which the city's housing facilities began to be restored. By the end of 1925 the number of apartments in the city of Moscow will be 13 per cent less than in 1912, while the population will be approximately 23 per cent larger. Consequently, housing conditions in Moscow will be over 30 per cent worse off than before the war.

However, it must be observed in this connection that a certain part of Moscow's working-class population now finds its housing problem easier than before, owing to the more uniform distribution of living space and removal of workers into the better type of houses. Before the war 25 per cent of the population lived in cellars and small dingy rooms under most unhygienic conditions.

The number of these small lodgings has now been cut down to less than half.

The Moscow Soviet is adopting a number of measures to bring about a further augmentation of the housing supply. It is endeavoring to increase the living space in houses by utilizing space formerly employed for other purposes, and it sees to it that the necessary repairs should be executed in order to prevent further deterioration of living quarters.

In addition to this, a considerable number of State institutions has been transferred to Leningrad and other large cities during 1925 in order to help relieve the situation in Moscow. It is also proposed to increase the number of dwellers in the houses situated in the suburban communities around Moscow, and the problem concerning the means of transit between these outlying districts and the city will soon be solved completely.

New housing construction, however, is the most important measure for easing the crisis. Moscow is already beginning to build actively. In 1923 new living quarters were constructed to accommodate 4,000 persons, in 1924 enough for 18,000 persons, while new housing sufficient for 27,000 persons will be completed during 1925 by the Moscow Soviet, the cooperative building associations, and other organizations. The building program for 1926 calls for the construction of new living quarters to accommodate 60,000 persons.

FINANCIAL STATEMENT

of the
Issue Department
of the

SOVIET STATE BANK

on September 16, 1925

Assets	Chervontsy
Gold (coin and bullion)	16,813,402
Platinum (bullion)	2,867,260
Foreign Bank Notes (at rate of £1—9 rubles and \$1—1.94 rubles)	4,685,266
Drafts in Foreign Currency for the total am't of 189,000 cherv., less regular discount.	170,100
Discounted bills in chervontsy 53,753,449 less regular discount	48,378,105
Securities covering advances on goods 95,- 407 less regular discount	85,867
Total	73,000,000
Liabilities	Chervontsy
Notes transferred to State Bank	72,698,360
Balance to which notes may still be issued..	301,640
Total	73,000,000

73,000,000 chervontsy equal 730,000,000 gold rubles.

Telephone and Telegraph

At a recent session of the Economic Council of the Russian Socialist Federated Soviet Republic (i.e., Soviet Russia proper) a representative of the People's Commissariat for Posts and Telegraphs presented a comprehensive report on the condition and development of the telephone system of the Soviet Union. According to this report toward the beginning of the fiscal year 1924-25, i.e., around October 1, 1924, the country had 1,300 telephone stations, over 121,000 subscribers, 223,000 kilometers of main telephone cables, 1,100,000 kilometers of line wires, and 28,000 kilometers of trunk lines for interurban communication. Part of the local telephone systems and traffic was turned over to the Local Executive Committees, and the latest available data, compiled under date of April 1, 1925, show that the telephone service in 37 provinces and districts was under the management of the Provincial Executive Committees. The operation of all the interurban trunk lines and the service in 50 provinces and districts, including Moscow and Leningrad, remains in the hands of the People's Commissariat for Posts and Telegraphs.

Under this year's (i.e., 1924-25, ending September 30, 1925) telephone operating and development plan a considerable profit is expected after making provision for extensive new construction, the extension of local telephone systems, and a number of major remodeling operations. All revenue from the exploitation of telephone lines controlled by the People's Commissariat for Posts and Telegraphs is devoted exclusively to the maintenance and development of the telephone system. However, this is proving to be inadequate and application will be made for supplementary appropriations in order to increase the rural telephone service and reconstruct the telephone systems in the important cities.

The repair of the Moscow and Leningrad telephone systems, which entails large expenditures, has been going forward steadily since the beginning of the current year. In particular it may be mentioned that along with much other work operations are under way to increase the capacity of the Moscow telephone service by reequipping the central station and constructing new regional stations. In this connection it is proposed to build four automatic regional telephone stations in Moscow before the end of the fiscal year 1926-27.

The establishment of interurban telephone communication through the existing telegraph lines occupies a very special place in this work. Intensive efforts are being exerted to provide telephone service for the townships, in which connection it is planned to make extensive use of telegraph trunk lines.

The Economic Council of the Russian Socialist Federated Soviet Republic has recognized the fact that due to the advances in the modern technique of electrical communication its different phases—telegraph, telephone, and radio—are intimately connected, both in a technological and in a commercial sense, and that the systematic and widespread development of public electrical communication and its penetration into the rural regions are possible only by uniting the management of the entire field in a single organ.

Therefore, in the opinion of the Economic Council, the organization and operation of all the telephone lines and other means of communication in general use throughout the territory of the Soviet Union is to be centered exclusively under the control of the People's Commissariat for Posts and Telegraphs, entailing the transfer to this department of all the lines now managed by the local organs.

Soviet Telegraph Traffic with Foreign Countries

As the subjoined figures show, the Soviet Union's telegraph traffic with foreign countries has increased rapidly since its resumption in 1921:

Year	Total Foreign Messages Handled	Total Number of Words
1921.....	27,033	898,553
1922.....	209,834	1,003,652
1923.....	485,827	13,615,926
1924.....	617,616	14,323,518
1925 (1st Quarter) ..	174,926	3,962,167

The above statistics cover only messages handled for final delivery. The next table gives the number of telegraph messages relayed for transit and shows that this phase of the traffic has likewise grown steadily since its inception in 1922.

Year	Total Foreign Messages Handled in Transit	Total Number of Words
1922.....	70,352	838,673
1923.....	339,536	5,314,154
1924.....	583,520	6,220,404
1925 (1st Quarter) ..	210,490	2,413,952

The bulk of the Soviet Union's electrical communication with foreign countries is conducted by telegraph. It has international telephone connections only with Esthonia and Finland. As for radio, it was very important in the beginning, 4,052 radiograms with a total of 720,800 words having been transmitted in 1922, but with the reopening of the telegraph lines radio traffic began to decline. However, the use of radio for domestic purposes is developing rapidly. In international communication it is only an auxiliary service with a marked tendency toward employment for the press and the broadcasting of general information.

Copyright in the Soviet Union

ON January 30, 1925, a decree concerning the protection of copyright was issued by the Central Executive Committee and the Council of People's Commissars of the Soviet Union. Simultaneously another decree was issued—reprinted here as an introduction to the new law—dealing with the enactment of the aforesaid decree and with the legislation on that subject as well as with copyright obtained prior to that date.

Introduction

The Central Executive Committee and the Council of People's Commissars of the Union of Socialist Soviet Republics decree:

1. To bring into force from the day of publication the ordinance of the Central Executive Committee and the Council of People's Commissars of the Union of S. S. R. confirmed on this date with respect to the basic principles of copyright.

2. To propose to the Central Executive Committees of the Constituent Republics the publication of an abstract of the statutes of the said Republics that have become void with the promulgation of the decree of the Central Executive Committee and the Council of People's Commissars of the Union of S. S. R. of this date concerning the basic principles of copyright.

3. All legal affairs and disputes arising out of copyright matters before the entrance into effect of the decree of the Central Executive Committee and the Council of People Commissars of the Union of S. S. R. of this date concerning the basic principles of copyright, shall be decided on the basis of legislation previously in force.

Decree on Basic Principles of Copyright

1. The enjoyment of copyright to a work, both when published (Art. 10) on the territory of the Union of Socialist Soviet Republics and when existing on the territory of the Union of S. S. R. in the shape of manuscript, sketch or some other concrete form, shall be acknowledged to reside in the author and his assignees regardless of their citizenship.

In the case of works published abroad or existing abroad in the shape of manuscript, sketch or some other concrete form, copyright shall be recognized within the limits established by the agreement concluded between the Union of S. S. R. and the nations concerned.

2. The enjoyment of copyright extends to any work of literature, science and art, whatever may be the method and form of its reproduction, and whatever its merit and destination, such as oral productions (speeches, lectures, reports, etc.); written productions (books, articles, col-

lections of articles, etc.); dramatic and musical dramatic works; translations; choreographic and pantomimic productions for whose staging there are instructions in writing or in some other form; cinematographic scenarios possessing the qualities of independent productions; musical works with or without words; drawings, paintings, sculptures, productions of the architectural and graphical arts, illustrations, geographical maps; plans, sketches and plastic productions relating to the sciences, to technology or to the staging of dramatic or musical dramatic works; moving picture films; photographs or productions obtained by methods analogous to photography; etc.

3. The author shall have the exclusive right to publish his work under his own name or under an assumed name (pseudonym), or without any name (anonymously), and to reproduce and distribute it by all legally permissible means during the course of the term established by law, and likewise to derive profits from his exclusive property right by every lawful means.

4. The following shall not be regarded as infringing upon copyright privileges: (a) translation of another person's work into a different language; (b) the utilization of another person's work for the creation of a new work substantially differing therefrom; (c) the insertion of small separate extracts and even the full reprint of productions of slight extent, pictures, etc., in scientific, politico-educational and textbook compilations with the obligatory indication of the author and source from which they were taken; (d) the insertion of reviews of published oral and written works in the realm of literature, science and art, communicating the substance of the production in an independent form or with the reproduction of the original insofar as this is indispensable; (e) the insertion of speeches pronounced at public gatherings in the reports of periodical publications; (f) the reprinting of newspaper reports and likewise of articles not belonging to the field of literature by periodical publications not sooner than one day after their original issue, the indication of the source and the author's name being obligatory in the case of reprinted articles; (g) the use of a text borrowed from another person's literary production by a composer from his musical work, provided this is not prohibited by the express declaration of the author of the literary work on each copy thereof; (h) the public use of other persons' dramatic, musical, musical-dramatic, cinematographical and other works in Red Army and workers' clubs, as well as in other places, provided no payment is collected from the audience; (i) the employment of artistic and photographic works in the products of factory and artisan industry; (j) the representation of paintings by means of sculpture and, vice versa, the representation of works of sculpture by means of painting; (k) the reproduction

of artistic works located in the streets, squares and public museums; (l) the placing of all sorts of productions on public exposition; (m) the production of structures and installations according to architectural, engineering and other technical plans, designs, and drawings published by the author, if the latter does not upon publication specify that he reserves this right to himself; (n) making a copy of another person's production exclusively for one's personal use and without inserting on the copy of an artistic or photographic work the signature or monogram of the author of the original.

5. The right of giving a public performance of an unpublished dramatic, musical dramatic, pantomimic or choreographic production shall belong exclusively to the author thereof.

The author does not possess the right to forbid the public performance of a work published by him, but he has the right to receive payment of author's royalties, with the exception of the cases provided for in subdivision (h) Article 4.

The right of a composer to receive royalties on the public performance of his musical works holds only in the event that he has indicated on each copy of the musical composition that he reserves this right to himself.

6. Apart from the exceptions established in the succeeding Articles 7, 8 and 9, copyright shall reside in the author during the course of 25 years from the date of the publication of his work (Art. 10).

7. The publishers of newspapers, magazines and other periodical publications, and likewise of encyclopedic dictionaries, shall possess copyright over these publications during the course of ten years from the date of their publication. The collaborators in the publications in question shall retain copyright as regards their individual productions, unless otherwise established in the contract.

8. The term of enjoyment of copyright with regard to choreographic and pantomimic productions and motion picture scenarios and films is fixed at ten years.

9. The period of enjoyment of copyright with regard to photographic productions is set at three years for separate pictures and at five years for collections of pictures.

In order to protect copyright privileges in the case of a photograph the following indications shall be required on each copy thereof: (1) the firm or personal name and the place of residence of the photographer or publisher of the photograph, and (2) the year of issue of the photographic production.

10. All works shall be considered as having been published on the 1st of January of the year during which they were first lawfully issued by the appropriate technical means.

The following shall be equivalent to publication: the public presentation of dramatic or musical productions, the public performance of a musical work, the public exhibition of products of the graphic arts, and the construction of architectural productions.

11. If on the 1st of January of the year of an author's death the above-specified period (Articles 6—9) of the enjoyment of copyright with regard to his published works has not expired, such copyright shall pass over to the author's heirs for the period of time remaining until the expiration of the said term, but not for more than 15 years, counting from January 1 of the year of the author's death.

Copyright with regard to productions unpublished up to the date of the author's death pass over to his heirs for 15 years or for the shorter period specified in Articles 7, 8 and 9, reckoning from January 1 of the year of the author's death.

After the death of the author's heir or of each one of them, if there were several, the copyright shall not be subject to further transfer by inheritance.

The monetary valuation of the copyright passing over to the heirs, is not included in the general appraisal of inherited property in applying the laws limiting bequests.

12. It is permissible to relinquish copyright partially or completely under an agreement with a publisher or through some other legal instrument, in which connection the contract must accurately define the nature of the use to be made of the copyright.

Agreements covering the transfer of copyright must be concluded in written form, under penalty of invalidity.

Note. The regulation in the second part of the present Article does not extend to works printed in periodical publications.

13. The publisher does not, at his own discretion and without the consent of the author or his heirs, possess the right to make any addition to, subtraction from, or, in general, any change in either the work itself, or in its title, or in the designation thereon of the author's name.

The publisher likewise has no right to supply a work with illustrations without the consent of the author or his heirs.

14. Losses caused by infringement of copyright shall be subject to indemnification in accordance with the statutes of the Constituent Republics.

15. Copyright with regard to any production may be compulsorily purchased by the Government of the Union of Socialist Soviet Republics or by the government of the constituent republic on whose territory the work in question was first published or on which it exists in the shape of manuscript, sketch or any other concrete form.

Foreign Relations of the U. S. S. R.

THE Russian Information Bureau having received many inquiries concerning the Chinese-Soviet Agreement, the *Russian Review* has decided to print the full text of the document in question. The Agreement was concluded on May 31, 1924 and ratified by the Soviet Government on August 8 of the same year.

AGREEMENT

On general principles for the settlement of the questions between the Union of Soviet Socialist Republics and the Republic of China.

The Union of Soviet Socialist Republics and the Republic of China desiring to reestablish normal relations with each other, have agreed to conclude an agreement on general principles for the settlement of the questions between the two countries, and have to that end named as their Plenipotentiaries, that is to say—

The Government of the Union of Soviet Socialist Republics: LEV MIKHAILOVITCH KARAKHAN,
His Excellency the President of the Republic of China: V. KYUIN WELLINGTON KOO,

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

ARTICLE I.

Immediately upon the signing of the present Agreement, the normal diplomatic and consular relations between the two Contracting Parties shall be reestablished.

The Government of the Republic of China agrees to take the necessary steps to transfer to the Government of the Union of Soviet Socialist Republics the Legation and Consular buildings formerly belonging to the Tsarist Government.

ARTICLE II.

The Governments of the two Contracting Parties agree to hold, within one month after signing the present Agreement, a Conference* which shall conclude and carry out detailed arrangements relative to the questions in accordance with the principles as provided in the following Articles.

Such detailed arrangements shall be completed as soon as possible and, in any case, not later than six months from the date of the opening of the Conference as provided in the preceding paragraph.

*The Conference was opened early in September, 1925. In an interview given recently to the press, Mr. Karakhan explained that the holding of the Chinese-Soviet Conference was delayed due to the fact that local Chinese authorities failed to carry out some of the stipulations of the Chinese-Soviet Agreement.

ARTICLE III.

The Governments of the two Contracting Parties agree to annul at the Conference as provided in the preceding Article, all Conventions, Treaties, Agreements, Protocols, Contracts, etc., concluded between the Government of China and the Tsarist Government and to replace them with new treaties, agreements, etc., on the basis of equality, reciprocity and justice, as well as the spirit of the Declarations of the Soviet Government of the years of 1919 and 1920.

ARTICLE IV.

The Government of the Union of Soviet Socialist Republics, in accordance with its policy and Declarations of 1919 and 1920, declares that all Treaties, Agreements, etc., concluded between the former Tsarist Government and any third party or parties affecting the sovereign rights or interests of China, are null and void.

The Governments of both Contracting Parties declare that in future neither Government will conclude any treaties or agreements which prejudice the sovereign rights or interests of either of the Contracting Parties.

ARTICLE V.

The Government of the Union of Soviet Socialist Republics recognizes that Outer Mongolia is an integral part of the Republic of China and respects China's sovereignty therein.

The Government of the Union of Soviet Socialist Republics declares that as soon as the questions for the withdrawal of all the troops of the Union of Soviet Socialist Republics from Outer Mongolia—namely, as to the time limit of the withdrawal of such troops and the measures to be adopted in the interests of the safety of the frontiers—are agreed upon on the Conference as provided in Article II of the present Agreement, it will effect the complete withdrawal of all the troops of the Union of Soviet Socialist Republics from Outer Mongolia.

ARTICLE VI.

The Governments of the two Contracting Parties mutually pledge themselves not to permit within their respective territories the existence and (or) activities of any organizations, or groups whose aim is to struggle by acts of violence against the Governments of either Contracting Party.

The Governments of the two Contracting Parties further pledge themselves not to engage in propaganda directed against the political and social systems of either Contracting Party.

ARTICLE VII.

The Governments of the two Contracting Parties agree to redemarcate their national bound-

aries at the Conference as provided in Article II of the present Agreement, and pending such redemarcation, to maintain the present boundaries.

ARTICLE VIII.

The Governments of the two Contracting Parties agree to regulate at the aforementioned Conference the questions relating to the navigation of rivers, lakes, and other bodies of water which are common to their respective frontiers, on the basis of equality and reciprocity.

ARTICLE IX.

The Governments of the two Contracting Parties agree to settle at the aforementioned Conference the question of the Chinese Eastern Railway in conformity with the principles as hereinafter provided:

1. The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise.

The Governments of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operations which are under the direct control of the Chinese Eastern Railway, all other matters affecting the rights of the National and the Local Governments of the Republic of China—such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation and landed property (with the exception of lands required by the said Railway)—shall be administered by the Chinese Authorities.

2. The Government of the Union of Soviet Socialist Republics agrees to the redemption by the Government of the Republic of China, with Chinese capital, of the Chinese Eastern Railway, as well as all appertenant properties and the transfer to China of all shares and bonds of the said Railway.

3. The Governments of the two Contracting Parties shall settle at the Conference as provided in Article II of the present Agreement the amount and conditions governing the redemption as well as the procedure for the transfer of the Chinese Eastern Railway.

4. The Government of the Union of Soviet Socialist Republics agrees to be responsible for the entire claims of the shareholders, bondholders and creditors of the Chinese Eastern Railway incurred prior to the Revolution of March 9, 1917.

5. The Governments of the two Contracting Parties mutually agree that the future of the Chinese Eastern Railway shall be determined by the Union of Soviet Socialist Republics and the Republic of China, to the exclusion of any third party or parties.

6. The Governments of the two Contracting Parties agree to draw up an arrangement for the provisional management of the Chinese Eastern Railway pending the settlement of the questions as provided under Sec. 3 of the present article.

7. Until the various questions relating to the Chinese Eastern Railway are settled at the Conference as provided in Article II of the present Agreement, the rights of the two Governments arising out of the Contract of August 27 (September 8), 1896, for the Construction and Operation of the Chinese Eastern Railway, which do not conflict with the present Agreement and the Agreement for the Provisional Management of the said Railway and which do not prejudice China's rights of sovereignty, shall be maintained.

ARTICLE X.

The Government of the Union of Soviet Socialist Republics agrees to renounce the special rights and privileges relating to all Concessions in any part of China acquired by the Tsarist Government under various Conventions, Treaties, Agreements, etc.

ARTICLE XI.

The Government of the Union of Soviet Socialist Republics agrees to renounce the Russian portion of the Boxer Indemnity.

ARTICLE XII.

The Government of the Union of Soviet Socialist Republics agrees to relinquish the rights of extraterritoriality and consular jurisdiction.

ARTICLE XIII.

The Governments of the two Contracting Parties agree to draw up simultaneously with the conclusion of a Commercial Treaty at the Conference as provided in Article II of the present Agreement, a Customs Tariff for the two Contracting Parties in accordance with the principles of equality and reciprocity.

ARTICLE XIV.

The Governments of the two Contracting Parties agree to discuss at the aforementioned Conference the questions relating to the claims for the compensation of losses.

ARTICLE XV.

The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective Plenipotentiaries have signed the present Agreement in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-first Day of May, One Thousand Nine Hundred and Twenty-Four, which is the Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China.

L. M. KARAKHAN.
(Seal)

V. K. WELLINGTON KOO.
(Seal)

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China declare that immediately after the

signing of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, they will reciprocally hand over to each other all the real estate and movable property owned by the former Tsarist Government and China, and found in their respective territories. For this purpose each Government will furnish the other with a list of the property to be so transferred.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four, which is the Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China hereby declare that it is understood that with regard to the buildings and landed property of the Russian Orthodox Mission belonging as it does to the Government of the Union of Soviet Socialist Republics the question of transfer or other suitable disposal of the same will be jointly determined at the Conference provided in Article II of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, in accordance with the internal laws and regulations existing in China regarding property-holding in the inland. As regards the buildings and property of the Russian Orthodox Mission belonging as it does to the Government of the Union of Soviet Socialist Republics at Peking and Patachu, the Chinese Government will take steps to immediately transfer same as soon as the Government of the Union of Soviet Socialist Republics will designate a Chinese person or organization, in accordance with the laws and regulations existing in China regarding property-holding in the inland.

Meanwhile the Government of the Republic of China will at once take measures with a view to guarding all the said buildings and property and clearing them from all persons now living there.

It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four, which is the Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China jointly declare that it is understood that with reference to Article IV of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, the Government of the Republic of China will not and does not recognize as valid any treaty, agreement, etc., concluded between Russia since the Tsarist regime and any third party or parties, affecting the sovereign rights and interests of the Republic of China. It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four, which is the Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China jointly declare that it is understood that the Government of the Republic of China will not transfer either in part or in whole to any third Power or any foreign organization the special rights and privileges renounced by the Government of the Union of Soviet Socialist Republics in Article X of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924. It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, etc.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China jointly declare that it is understood that

with reference to Article XI of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924:

1. The Russian share of the Boxer Indemnity which the Government of the Union of Soviet Socialist Republics renounces, will after the satisfaction of all prior obligations secured thereon be entirely appropriated to create a fund for the promotion of education among the Chinese people.

2. A special Commission will be established to administer and allocate the said fund. This Commission will consist of three persons two of whom will be appointed by the Government of the Republic of China and one by the Government of the Union of Soviet Socialist Republics. Decisions of the said Commission will be taken by unanimous vote.

3. The said fund will be deposited as it accrues from time to time in a Bank to be designated by the said Commission.

It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement of the two Contracting Parties, on General Principles.

In faith whereof, etc.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China agree that they will establish equitable provisions at the Conference as provided in Article II of the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, for the regulation of the situation created for the citizens of the Government of the Union of Soviet Socialist Republics by the relinquishment of the rights of extraterritoriality and consular jurisdiction under Article XII of the aforementioned Agreement, it being understood, however, that the nationals of the Government of the Union of Soviet Socialist Republics shall be entirely amenable to Chinese jurisdiction.

In faith whereof, etc.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

DECLARATION

The Government of the Union of Soviet Socialist Republics and the Government of the Republic of China, having signed the Agreement on General Principles between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, hereby agree, in explanation of Article V of the Agreement for the Provisional Management of the Chinese Eastern Railway of the same date, which provides for the principle of equal representation in the filling of posts by

citizens of the Union of Soviet Socialist Republics and those of the Republic of China, that the application of this principle is not to be understood to mean that the present employees of Russian nationality shall be dismissed for the sole purpose of enforcing the said principle. It is further understood that access to all posts is equally open to citizens of both Contracting Parties, that no special preference shall be shown to either nationality, and that the posts shall be filled in accordance with the ability and technical as well as educational qualifications of the applicants.

In faith whereof, etc.

Seals.

L. KARAKHAN.
V. K. WELLINGTON KOO.

Note of Wellington Koo to Karakhan

Peking, May 31, 1924.

Dear Mr. Karakhan:

On behalf of my Government, I have the honor to declare that, an agreement on General Principles for the settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics having been signed between us today, the Government of the Republic of China will, in the interests of friendship between the Republic of China and the Union of Soviet Socialist Republics, discontinue the services of all the subjects of the former Russian Empire now employed in the Chinese army and police force, as they constitute by their presence or activities a menace to the safety of the Union of Soviet Socialist Republics. If you will furnish my Government with a list of such persons, the authorities concerned will be instructed to adopt the necessary action.

I have the honor to remain

Yours faithfully,

V. K. WELLINGTON KOO.

Note of Karakhan to Wellington Koo

Peking, May 31, 1924.

Dear Dr. Koo:

I have the honor to acknowledge the receipt of the following Note from you under this date:

[A repetition of Wellington Koo's Note follows.]

In reply, I beg to state, on behalf of my Government, that I have taken note of the same and that I agree to the propositions as contained therein.

I have the honor to be,

Very truly yours,

L. M. KARAKHAN.

The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

Cultural Life in the Soviet Union

Bicentenary Celebration of the Russian Academy of Sciences

THE bicentenary celebration of the Russian Academy of Sciences was started on September 5 when the official reception of the guests took place at the Academy. On the following day a grand session of the Academy was held in the Great Hall of the Leningrad Philharmonic Society. At the table of the Presidium sat the members of the Academy of Sciences with Mr. Karpinsky, the President of the Academy, at the head. Together with the President were Messrs. M. I. Kalinin and A. V. Lunacharsky. After the welcome speech delivered by Mr. Karpinsky, President of the Academy, Mr. Kalinin, Chairman of the Central Executive Committee of the Soviet Union, presented the greetings of the Soviet Government:

Since it is the custom among all the peoples of the world, in celebrating the jubilee of institutions, as well as of private individuals, to center public attention upon the organizations or persons concerned, summing up their activities and expressing good wishes for their further success, permit me, also, to follow this fine old, universal practice.

While recognizing the immense scientific labor of the Academy in the past, we must nevertheless observe that in comparison with Western Europe our contribution to the world's scientific treasure has been modest. Russia entered into scientific touch with Western Europe comparatively late, but, apart from this fundamental cause, there were numerous unfavorable causes of a domestic character which impeded the progress of Russian science.

The Academy of Sciences has now received a broad opportunity to get in touch with the popular masses, from whose midst new and ever new forces will flow forth for the advancement of science.

My first wish in behalf of the Academy of Sciences is that it may form close connections with the masses of the people, whence it may draw its creative energies and to which it may return the results of the victory of human intelligence over the forces of nature.

My second wish is that, as the Russian Academy of Sciences has been changed into the Academy of Sciences of the Soviet Union by decision of the Government, it may go to the aid of the Constituent and Autonomous Republics and Areas in the effort to develop their languages and cultures.

From this day on our Academy of Sciences becomes a Federal institution and it is to gather within itself the creative genius of all the peoples inhabiting our Union.

Speech by Mr. S. F. Oldenburg

In an extensive speech Mr. S. F. Oldenburg, Permanent Secretary of the Academy of Sciences, gave a comprehensive outline of the institution's history during the two centuries of its existence. Turning to the revolutionary period of its history, he said:

The Revolution found the Academy in the thick of its organization of research work and the application of science to life. Its connections with the Government were initiated at the outset of the year 1918 through the People's Commissar for Education. With regard to its work the Academy of Sciences wrote to the People's Commissariat for Education that it is always ready to engage to the limit of its capacity in the theoretical, scientific study of the various problems raised by the needs of the national reconstruction work.

You will see with your own eyes the character of our present scientific institutions. A new element in our scientific life are the new research institutes, all of which have arisen after the Revolution. The new Federal scope of the Academy of Sciences opens up new opportunities and lays added responsibilities upon it.

New forces, the broad popular masses, have entered into action, and science should become intelligible to them. Science has not yet found out the methods which will enable it to set forth its guiding truths in a simplified manner comprehensible to all. And, nevertheless, we must realize that the future of science depends in large measure upon what attitude the popular masses adopt toward it.

We have come to a question whose solution is not within the capacity of any one country and, naturally, all the less so of any single institution, no matter how powerful it might be; it must be solved on an international, world-wide scale, for it is a problem of international significance.

At present scientific work is not conducted on a world-wide scale. Not a single organization embraces within its fold the scientific workers of all countries.

Here we have the representatives of so many countries, and here, too, we have the representatives of science in all the constituent parts of our Union. May their presence at this celebration serve as a sign that this complete communion, this genuine activity in common, has begun.

Greetings from Mr. Rykov

The following are extracts from the message of greeting sent to the Academy of Sciences by Mr. A. Rykov, Chairman of the Council of People's Commissars, from Sochi, on September 4:

The Academy of Sciences has now been in existence for two hundred years and has rendered the

greatest of services in the past. However, amongst the masses of the people ignorance still too often prevails over knowledge. The social conditions in the days of our previous history made science the privilege of a small part of society. Now, for the first time in history, the Soviet Republic has created conditions which assure the possibility not only of developing scientific knowledge, but also of bringing the toiling millions into contact with it. More than this—the development of scientific knowledge and its application to all phases of social life in the interests of the liberation of man from slavery and exploitation, from ignorance and poverty, constitute an organic part of the integral policy of the Soviet Union.

The Union of Soviet Socialist Republics has set itself the task of regulating social and economic relations, of systematically strengthening the principle of rational planning, and of increasing the dominion of human reason and science. In pursuing these aims of planful administration the Government of the Soviet Union has adopted and will adopt every possible measure for the development of scientific work, and these measures will become, to an increasing extent, the mighty lever for the greatest social transformation in history.

In welcoming the workers of the Academy and the scientists of the Soviet Union, I do not doubt that the Academy of Sciences will justify its title of the leading scientific institution of the country. Permit me to express the firm conviction that your holiday is at the same time our holiday, that having become the holiday of international science, it will stimulate the extension of international relations, without which the speedy progress of scientific work is greatly hindered. May this celebration enhance the interest of foreign scientists in our Union and our scientists, and may it supply added strength to carry on scientific work for the benefit of humanity under the new social conditions.

May the celebration of the Academy of Sciences give a new impetus to the cooperation of all those scientific workers who consider it their duty to humanity to struggle for the establishment of the rights of reason and science and for the eradication of all obscurantism.

Address by Mr. Lunacharsky

After the reading of the telegrams of greeting from Mr. Rykov, Chairman of the Council of People's Commissars of the Soviet Union, and from Mr. Kamenev, Acting Chairman of the same body, Mr. Lunacharsky, People's Commissar for Education, delivered an address, some of the most interesting passages of which are contained in the following paragraphs:

The fact that the direct representatives of the oppressed strata of the population have assumed

power for the first time in the history of humanity, may have impelled many to fear for the fate of the higher forms of culture in our country.

Of course, revolution does come with tempests and storms, and it shakes all the foundations of government, society, and private life; of course, revolution does represent a form of war—a ruthless war, and during the course of such strife science and art can not but be silent, or, at any rate, lower their voices.

Naturally, the Revolution could not busy itself immediately with education. However, during the past two years the appropriations for public education in our Federal and local budgets have increased with extreme rapidity and their pace has outstripped that of the expenditures for all other departments.

Our country needs the constant aid of science more than any other land. We must rise incomparably higher than the level of the past. Our defense and the success of our national economy can only be effected through unceasing cooperation with science.

One of Lenin's conceptions was the organization of a State Planning Commission in which many of the most powerful intellects of the nation should collaborate. And it is very characteristic that now, when the rapid development of our national life is not denied even by our adversaries, the predominant percentage of the work is being done by non-partisan Russian scientists.

I must observe that the Academy of Sciences, having rendered in the past those incalculable services of which mention is still to be made here and with which you and our guests are excellently acquainted, adopted an uncommonly wise and expedient attitude from the very beginning of the November Revolution. I cannot forget the moment when directly after the Revolution, at a time when the new power had not yet consolidated itself and civil war still seethed in other cities, in answer to the question I addressed to the Academy as to what assistance and cooperation the new Revolutionary Government could count upon securing from it, I received an official response that the Academy of Sciences was prepared to continue its scientific work as heretofore under the new order and new Government and that it was entirely willing to take part in the solution of scientific problems which life might bring up before the new national Government.

The Academy kept its word and assisted us in a considerable number of our most important problems. Even before it was granted the exalted title of Academy of Sciences of the Union of Socialist Soviet Republics, the Academy collaborated extensively in our efforts for the advancement of the other nationalities.

I shall not stop to enumerate the immense services which the Academy has already rendered to us, to the Revolution, and to the Soviet Regime.

We are deeply convinced that this general fraternal collaboration will grow year by year and even month by month.

In the name of the People's Commissariat for Education and of the five hundred thousand educational workers, I wish to add to the greetings which I have already extended in the name of the Government: We congratulate the Academy not only on its two centuries of past activity, in which it has the right to take pride on an equal footing with any other scientific institution on the globe, but we also congratulate it on the generations and centuries that still lie before it.

Celebrations in Moscow

After the conclusion of the celebrations in Leningrad the representatives of the Academy of Sciences and the foreign guests went to Moscow where the celebrations were continued. On September 14 an extraordinary session of the Moscow Soviet was held at the Bolshoi Theatre. In his speech Mr. L. Kamenev, Chairman of the Moscow Soviet and Acting Chairman of the Council of People's Commissars of the Soviet Union, welcomed the Russian and foreign scientists.

The following are extracts from the speeches pronounced by some of the foreign guests:

Speech by Prof. Planck (Germany)

I desire to express in a few words the profound impression we are carrying away with us from our visit to Moscow. Everywhere we have met with a warm and extraordinarily wide welcome. We shall take back with us impressions that we shall remember all our lives.

The slogan of unity between science and labor has been raised at this celebration. In the name of the scientists I declare that we are ourselves workers. Our work consists in gradually drawing up the resplendent treasure of truth from the gulf of ignorance for the benefit of mankind. I thank the Soviet Government from the bottom of my heart for the welcome extended to us.

Speech by Prof. Severi (Italy)

I speak in the name of the land of Galileo and Giordano Bruno. I have just had the happiness of enjoying the sight of your golden-topped city under the autumn sunshine. On your splendid structures the traces of the genius of our great masters are visible. Here I have had the opportunity of witnessing the union of my country's refined art with the characteristics of your land. This is an eloquent symbol of the possibilities of that friendship between our two peoples which will undoubtedly grow stronger in the future.

You have not only given us an opportunity to see the achievements in the highest realms of science, but you have also showed us your factories and mills. We have inspected them and seen their great work with pleasure and emotion,

and we have understood how each day brings you new successes.

Speech by Prof. Levy (France)

Your Academy of Sciences was familiar to us through its scientific works, known to us through the names of its members, near and dear to us through its scientific discoveries and attainments. We expected that the Russian scientists would meet us as friends and brothers. But we by no means expected such a cordial welcome from the very working masses of your people. We have seen working men and women and children gather around us with such affectionate faces and such welcoming looks that there was no need of translating words into another tongue. Everything was understood without it.

We have now been in your country for numerous days. And during this period we have continually passed from one festival to another, from one theatre to another, from one banquet to another. And all this has been so splendidly organized that it seems as if we have been living through a tale from the Thousand and One Nights.

Speech by Prof. Golder (United States)

I am glad to extend my greetings to the Russian people. Through our journey we are beginning cultural relations with your great country and we hope that they will be followed by political relations also and that the friendship of the American and Russian peoples will be restored.

Speech by Prof. Ramana (India)

I am carried away by the beauties of your ancient Capital with its golden cupolas, which remind me of my native minarets of India. I feel here as though I were in a second home-land. I was struck here more than anything else by seeing the profound friendly relations manifested amongst the scientists of all the countries of the world. Scientists, who seek only the truth, know neither antagonism nor enmity. I firmly believe that this union of the scientists will grow into a great union of all the peoples of the world.

I thank the Academy of Sciences, the Government and the People who are furthering this great unity.

Speech by Prof. Li (China)

As a geologist I wish to share some of my joyful observations with you. In ancient times China and the land which now forms your Soviet Union were closely akin to each other in their fauna and flora, that is, in the animal domain and in the plant domain. Now, it seems, I already see a similar bond of kinship in a third element, too—the peoples. In anticipation of that great unity which will bring happiness to all mankind, I greet your Academy.

Miscellaneous News

Results of the Nizhni-Novgorod Fair

According to preliminary figures the business done during the 1925 season of the Nizhni-Novgorod Fair, which closed on September 14, will total 150,000,000 gold rubles, as compared with a turnover of approximately 66,000,000 gold rubles for the season of 1924.

Altogether the shipments reaching the Fair this year amounted to 3,558,000 poods, whereas last year they totaled 3,015,000 poods for the same period.

The increase of incoming merchandise must be credited chiefly to cereal grains, clothing, haberdashery, furs, stationery and office supplies, rubber and rubber goods, glass and crockery, metals, and agricultural machines.

At the same time there were decreases in the arrivals of some classes of goods, among them groceries, textiles, leather, vegetable and animal raw products, and perfumes and chemicals.

In comparison with the previous year shipments of goods sold from the Fair were markedly larger. Up to September 1 of this season 829,000 poods of sold merchandise had been shipped out, as against 599,000 poods for last year.

A larger role was played in the Fair this year by the consumers', producers' and agricultural co-operatives as well as by the merchants of the Soviet Near East and the neighboring Eastern countries. This was the first season during which representatives of the trading circles of Turkey, Mongolia and China appeared on the Fair grounds. The Persian merchants also participated on a larger scale.

Soviet Bank Deposit Operations in 1924-25

An examination of deposit and current account balance figures for the six banks of Federal scope in the Soviet Union during the first three quarters (October 1, 1924 to June 30, 1925) of the fiscal year 1924-25 shows steady progress by all the leading institutions in this department of activity. The following table gives the increases for the individual banks (in gold rubles):

Name of Bank	Total Deposit and Current Account Balances	
	On Oct. 1, 1924	On July 1, 1925
Industrial Bank	106,400,000	200,600,000
State Bank	167,900,000	293,500,000
Moscow City Bank....	54,000,000	85,400,000
All-Russian Cooperative Bank	24,300,000	37,400,000
Bank for Foreign Trade	19,100,000	25,100,000
Electro-Bank	200,000	10,700,000
Total.....	371,900,000	652,700,000

Accordingly, the aggregate of the balances under deposit accounts and current accounts in the six leading banking institutions of the Soviet Union increased by 280,800,000 gold rubles, or 75.5 per cent, during the first 9 months of 1924-25.

Currency in Circulation on September 1

The volume of currency in circulation in the Soviet Union September 1 aggregated 1,015,565,100 gold rubles, an increase of about 400,390,000 gold rubles over the volume in circulation October 1, 1924, at the beginning of the Soviet fiscal year. The circulation on October 1, 1923, was 271,000,000 rubles. The par value of the ruble is \$.5146. During recent months it has held steady on European exchanges at \$.515.

The September 1 circulation was made up of the following categories:

	Gold Rubles
Bank notes of State Bank.....	566,624,300
Treasury bills	308,307,700
Silver coin	125,953,400
Copper coin	6,266,900
Small change paper tokens.....	8,412,800
Total.....	1,015,565,100

Moscow School System

During the scholastic year 1925-26, beginning in September, there will be 890 schools in operation under the supervision of the Moscow Department of Public Education with a total student body of 180,680. Last year there were 819 schools with 152,970 pupils. The number of students in 1925-26 surpasses the pre-war figure by 20 per cent.

In the city's 210 kindergartens there are 5,729 children between the ages of four and eight coming exclusively from the families of workers and clerks. Before the war there was only a handful of kindergartens in Moscow and they were within the reach of only a small circle of well-to-do persons. In addition to this Moscow has 277 children's homes, which take care of 23,450 little ones.

During the course of the fiscal year 1925-26 it is proposed to increase the number of vocational and technical schools in Moscow up to 453 with a total enrolment of 56,265 students. The number of factory schools and the evening schools for working youth will also be augmented.

Universal Elementary Education in the R.S.F.S.R.

The Presidium of the All-Russian Central Executive Committee has approved a legislative measure and plan submitted by the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) for the introduction of universal elementary education in the R.S.F.S.R.

The plan provides that general education shall first be introduced in those regions and provinces where the local budget and the school system, as well as the density of population, render it feasible.

The number and distribution of the elementary schools will depend upon the total population and its territorial distribution in each province. In putting universal education into effect the system of public education will be developed in the first place in those localities where it is weak at present, special provision being made for the allotment of schools to the national minorities.

The elementary school is to be free and accessible to all children of the corresponding school age, i.e., from 8 to 11 years old. The payment instituted at present for the right to instruction in the elementary and secondary schools is to be regarded as a temporary condition due to the weakness of the local budgets.

Secondary schools are to be opened only in a definite ratio to the number of elementary schools.

The Presidium of the All-Russian Central Executive Committee decided to consider the scholastic year 1933-34 as the limiting date for the introduction of universal compulsory education throughout the territory of the Russian Socialist Federated Soviet Republic (Soviet Russia proper), the aim being to render the elementary schools available to all on the basis of voluntary attendance by the tenth anniversary of the November Revolution and to put universal elementary education into practice between then and 1933-34.

Administrative Reform in the Russian Far-East

The electoral system is to be introduced throughout the Soviet administration of the Russian Far East, as a result of which the existing Far-Eastern Revolutionary Committee will be replaced by an elective regional Soviet after the forthcoming elections.

Prospecting for Oil on Apsheron Peninsula

The Bureau of Geological Surveys maintained by the Azerbaijan Oil Trust (the "Azneft") is engaged in extensive prospecting operations. This work possesses great significance, since, despite the fact that the wells of the Apsheron Peninsula area have been under exploitation for fifty years, neither the delimitations nor the depth of the oil pools have been accurately determined for any single district up to the present time.

The surveys have already yielded substantial results in the Surakhany region. Here a rich oil layer has been discovered in the so-called fifth stratum. It has proved possible to extend the limits of the oil-bearing area considerably in Surakhany and Binogady. Exploratory drilling is being carried on in altogether new regions. In the Kala district a large pool of light benzine-base petroleum has been found. In some localities the survey drillings have revealed oil containing 50 per cent of crude gasoline, whereas the usual Baku petroleum contains not over 4 per cent of it.

Gold-bearing Area in the Aldan Field

The expedition sent out by the Central Geological Committee attached to the Academy of Sciences recently arrived at Yakutsk after having made a geological survey of the Aldan region under the direction of Professor Zverev. According to the data secured by Professor Zverev the Aldan auriferous area covers about 2,400 square kilometers. The expedition is now engaged in estimating the approximate total quantity of gold that may be obtained from the Aldan region.

Invention of Remarkably Compact Storage Battery

Mr. A. F. Yoffe, a member of the Academy of Sciences of the Soviet Union, has apparently succeeded in solving a most important scientific problem, which is likely to revolutionize the power phase of economic life. In a number of laboratory experiments he has succeeded in effecting a hitherto unattained maximum concentration of electrical energy in a minimum volume. Through his invention a storage battery small enough to be placed in one's vest pocket is charged with enough electricity to run the most powerful automobile for ten full 24-hour days.

In discussing his discovery Mr. Yoffe stated that the laboratory experiments have revealed the possibility of effecting a concentration of electrical energy much more intense than has heretofore been practised in modern technology. He added that at the present time he is engaged in the endeavor to apply this new storage battery to industrial purposes. The successful outcome of these efforts would render it feasible to concentrate enormous amounts of electrical energy in a small space for the propulsion of automobiles and for many other requirements.

News Reels in the Soviet Union

News reels have become all the rage in the Soviet Union. The reels are supplied by an organization picturesquely called "The Traveling Cinema Eye." Particularly in demand by audiences are scenes of hunting, adventure and primitive life in the Siberian wilderness, the Wild East of the Soviet Republic. Expeditions of "The Traveling Cinema Eye" were recently dispatched to film native bear hunts in the Altai mountains in Siberia, and wild animal hunting in the western Asiatic regions of Ferghana and Daghestan. A large film has just been completed showing life among the Tartar tribes in the Crimea.

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Cultural Life in the Soviet Union

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On November 7, 1925, the Soviet Republics will celebrate the eighth anniversary of their existence. The achievements of the eighth year on the road towards greater prosperity are summed up in the following article published by the Moscow Financial Gazette on October 1, 1925, the opening of the new fiscal year 1925-26.

THE Soviet Union entered upon the fiscal year 1924-25 under the drawback of reduced crops. In fact, although the country's sown area for 1924 was 4 per cent larger than for 1923, the gross grain crop for the year turned out to be 10.6 per cent smaller. Quite naturally, this led many to expect economic depression during 1924-25.

Actual developments did not bear out these apprehensions. Beyond any doubt, the elapsed fiscal year 1924-25 was one of rapid rehabilitation and favorable economic situation. It is not difficult to support this judgment with facts.

As compared with the corresponding period of the previous fiscal year 1923-24, industrial production for the first eleven months of the expired fiscal year 1924-25 increased by 64 per cent, the metal branch showing a particularly large growth.

For the eleven months in question the turnover of the Moscow Produce Exchange expanded 87.2 per cent, the turnover of the 70 provincial produce exchanges rose by 130.4 per cent, and the railroads handled 20.5 per cent more freight. Between September, 1924, and September, 1925, the volume of money in circulation increased by 80.1 per cent, while the average level of prices remained practically unchanged, a fact that testifies to the steadfast purchasing power of the chervonets.

Credits revealed substantial progress hand in hand with the growing volume of currency circulation. Thus, between September, 1924, and September, 1925, current accounts and deposits in the State Bank showed an increase of 86.3 per cent, loan and discount operations—116.4 per cent, and the operations of the clearing department—240 per cent. During the same period the current accounts and deposits in the four largest joint-stock banks of Moscow grew by 104.5 per cent, and their loan and discount operations by 100.5 per cent.

Similarly, a material expansion is observable in the sphere of State finances. State expenditures for the period extending from October, 1924, to July, 1925, increased by 41.7 per cent as compared with the corresponding period of 1923-24.

Accordingly, the dry speech of the figures cited above, approximately though some of them may be, convincingly bears witness to the fact that the Soviet Union rose to exceptional economic achievements during the past fiscal year. However, these

quantitative data covering the growth of the country's economic activity do not tell the whole story. Together with these must be reckoned the process of qualitative economic improvement that went on simultaneously and in organic connection with the quantitative growth. This process of qualitative betterment is reflected in the undoubted improvement of the organization of industry, trade and credit, and in the more efficient work of the economic departments and organizations. It is also expressed in the increased relative proportion of State and cooperative production and of State and cooperative trade as compared with private production and private trade, thus showing progress in the nationalization of economic activity in the Soviet Union. According to data compiled by the State Planning Commission the comparative share of the State and the cooperatives in production rose from 76.3 per cent in 1923-24 to 79.3 per cent in 1924-25, while the trade done by the State and cooperative organizations advanced from 58.4 per cent to 73.7 per cent of the total.

What are the causes and circumstances of such a substantial economic expansion by the Soviet Union during the past year? Neglecting the secondary causes and conditions of this growth, the following may evidently be considered to sum up the most important and fundamental ones:

Above all, it was precisely during the expired fiscal year 1924-25 that the monetary reform, whose introduction was completed in its basic features during the spring of 1924, made its influence fully felt for the first time on the country's economic life. The very fact of currency stabilization and the resulting price stabilization created the prerequisites for the recuperation of the Soviet Union's whole economic life, the facilitation of accurate business accounting, the development of credit and the accumulation of reserves.

The population's increased capacity to purchase industrial goods constituted another fundamental factor of economic progress. This growth of purchasing capacity was due, on the one hand, to the greater purchasing power of agricultural commodities and, on the other hand, to higher wages. During the course of the elapsed fiscal year, mainly under the influence of higher grain prices, the price index for agricultural commodities displayed a rising tendency and at the end of the

fiscal year stood 10 to 15 per cent higher than at the beginning. On the other hand, the price index for industrial goods showed a falling tendency under the influence of improved manufacturing conditions and the production policy.

By virtue of the tendencies in question the ratio of the agricultural price index to the general price index rose. Whereas it was about 85 per cent at the opening of the fiscal year 1924-25, at the close it stood around 95 per cent. This indicated a rise in the purchasing power of agricultural commodities. Thanks to this and likewise to the satisfactory harvest of industrial raw material crops, the peasantry's purchasing capacity, despite the smaller grain crops, stood at a sufficiently high level during the fiscal year 1924-25 and constituted one of the most important factors in the maintenance of firm market conditions for manufactured products.

This firmness in the industrial market situation was also supported by the increased demand for manufactured products on the part of the city population in step with the rising wage rates. Between July, 1924 and July, 1925, real wages advanced not less than 23 per cent.

Finally, the third basic cause of the country's economic progress during 1924-25 resides in the increased productivity of industrial labor. According to available data labor productivity stood approximately 38 per cent higher in July, 1925 than in July, 1924, i. e., it rose even more than real wages. In this growth of labor productivity lies one of the most important causes of expansion of Soviet industry and the improvement of its financial situation.

Thus, the country's economic achievements for 1924-25 are without doubt very great. The Soviet Union enters upon the new fiscal year 1925-26 not only on the foundation of these achievements, but also with a considerably better harvest. It may therefore be concluded that the new fiscal year will be one of further substantial growth.

Economic Situation in September

The good harvest continues to be the deciding factor in the Soviet Union's economic condition. The grain crop is definitely determined at 4,200,000,000 poods, i. e., 50 per cent larger than last year's total. It is estimated that the peasants will send approximately 1,000,000,000 to 1,200,000,000 (between 16,000,000 and 20,000,000 tons) of grain to the market. The deduction of all domestic requirements leaves a considerable surplus for export.

The plentiful harvest has led to a great demand for industrial products on the part of the peasantry. This demand is especially evident in two groups of manufactures—agricultural machinery, and textile goods.

At the present moment it may be regarded as certain that the Soviet Union's industries will not be in a position to satisfy the peasantry's requirements in full. This, despite the fact that Soviet industry is now undoubtedly passing through a period of rapid growth. During the first eleven months of the fiscal year 1924-25, i. e., from October 1, 1924, to August 31, 1925, the State industrial enterprises for which the Supreme Council of National Economy compiles statistics turned out products worth 2,277,000,000 pre-war rubles in the aggregate, as compared with a total output valued at only 1,391,000,000 pre-war rubles for the same period of the fiscal year 1923-24. The fiscal year 1924-25, ended September 30, 1925, thus showed an increase of about 64 per cent in the country's industrial production. Nevertheless, the volume of industrial production thus far attained constitutes only 71 per cent of the pre-war total. In view of the large crops, the agricultural tax reduction of 40 per cent as compared with the previous fiscal year, and the general increase in the requirements of the peasant population as a result of its post-war cultural progress, it must be concluded that Soviet industry will find it an impossible task to meet the country's demand in its entirety.

The shortage of industrial products is already evincing itself on the market by a certain rise in retail prices, particularly in the provinces in the case of textiles and steel and iron articles. The Government is adopting a number of measures to place an adequate supply of manufactured goods on the market. These measures are aimed in two directions. On the one hand, the expansion of the Soviet Union's domestic industrial production will be continued. Under the economic program for the fiscal year 1925-26 industry will receive credits aggregating 800,000,000 gold rubles to increase its fixed and circulating capital. On the other hand, imports of foreign goods will be substantially increased. The Soviet Union's imports and exports taken together amounted to about 1,000,000,000 gold rubles for the fiscal year 1924-25 (October 1, 1924, to September 30, 1925). During the fiscal year 1925-26 the country's imports alone will constitute 1,000,000,000 gold rubles, while the exports will reach 1,100,000,000 gold rubles. The import program provides for supplies of general consumption staples, as well as for raw materials and machinery.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 60 poods equal a ton.
 1 verst equals about two-thirds of a mile (0.66).
 1 arshin equals 0.77 yard.
 1 sazhen equals 7 feet.
 1 dessiatin equals 2.70 acres.
 1 vedro (bucket) equals 3.25 gallons.
 1 gold ruble equals \$5.14.
 1 kopeck equals .01 of a ruble.
 1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

State Industries in 1924-25

THE value of the gross output of the steadily operating large-scale State industries in the Soviet Union for the first nine months (October, 1924, to June, 1925, inclusive) of the fiscal year 1924-25, calculated at pre-war prices, amounts to 1,841,883,000 pre-war rubles, showing an increase of 288,015,000 pre-war rubles, or 18.5 per cent, over the value of production for the entire preceding fiscal year. This total production value is distributed in the following manner among the various industrial branches:

Industrial Branch	Value of Output in Pre-War Rubles	
	For Entire Fiscal Year 1923-24	For 9 Months of Fiscal Year 1924-25
Fuel	313,092,000	276,043,000
Including:		
(a) Coal	86,728,000	65,177,000
(b) Crude Petroleum...	126,968,000	108,290,000
(c) Refined Oil Products	99,396,000	102,576,000
Ore	8,354,000	12,175,000
Silicates (China, Glass, Cement, Brick, etc.).....	27,132,000	36,196,000
Metal	270,541,000	357,237,000
Electrical Equipment.....	38,482,000	51,419,000
Electric Power	39,667,000	40,661,000
Textile	374,849,000	456,887,000
Including:		
(a) Cotton Goods.....	230,220,000	309,109,000
(b) Woolens	74,364,000	82,800,000
(c) Linens	59,632,000	53,229,000
Apparel and Toilet Articles	25,877,000	17,973,000
Leather	69,398,000	67,711,000
Chemical	115,982,000	183,063,000
Other branches.....	269,994,000	342,518,000
Total for Steadily Operating Industrial Branches...	1,553,368,000	1,841,883,000

The following branches display the largest increases over the previous year's output: chemical 67,081,000 pre-war rubles, or 58 per cent higher; ores—3,821,000 pre-war rubles, or 45.7 per cent higher; electrical equipment—12,937,000 pre-war rubles, or 33.6 per cent higher; silicates—9,064,000 pre-war rubles, or 33.4 per cent higher; metal—86,696,000 pre-war rubles, or 32 per cent higher; and textiles—82,038,000 pre-war rubles, or 32 per cent higher.

Toward the end of June, 1925, the labor force in all the steadily operating enterprises totaled 1,544,700, as compared with 1,267,500 at the end of June, 1924 and 1,380,000 at the end of September, 1924. The value of the average full day's output per worker throughout State industry was 4.24 pre-war rubles in June, 1924, and 6.13 pre-war rubles in June, 1925.

Soviet Woolen Goods Industry in 1925-26

Early in September an operating program for the Soviet woolen goods industry during the fiscal year 1925-26 was submitted to the Board of Directors of the Central Industrial Department by the Textile Board.

There will be 50 factories in operation throughout the woolen industry, 15 of them in the worsteds branch, 17 in the fine woolens branch, and 18 in the coarse woolens branch. The industry will turn out 26,580 tons of woolen yarn, 56,628,000 meters of unfinished goods, and 54,598,000 finished goods. In comparison with the fiscal year 1924-25 yarn production will show an increase of 25.6 per cent, unfinished goods—30 per cent, and finished goods—28.3 per cent.

The number of workers employed in the woolen industry will be increased to 51,000 during 1925-26, an increase of 14.3 per cent over the labor force of 44,600 in 1924-25.

During the current fiscal year 18,862,000 gold rubles, 50 per cent more than during 1924-25, will be expended on major construction and equipment work in the industry.

Sales for the whole industry, with the exception of the Leningrad plants, during 1925-26 are forecast at 54,336,000 meters, worth 202,727,000 gold rubles, as against 42,365,800 meters, valued at 175,993,000 gold rubles, during 1924-25, representing increases of 28.2 per cent in quantity and 16.3 per cent in value.

Soviet Oil Output and Export

RECENTLY the Soviet petroleum trusts have carried out extensive reconstruction work in the industry. The power phase of operations has been radically transformed, the former motive equipment having been largely replaced by electrical types. By September of the current calendar year 90 per cent of the wells operated by the Azerbaijan Oil Trust and between 50 and 60 per cent of those operated by the Grozny Oil Trust had been electrified. In addition to this, the improved method of exploiting the wells by means of deep pumps is being rapidly introduced, and the rotary process of drilling is being substituted for the stem percussion process. By October 1, 1925, the following number of wells were to have been equipped with deep pumps:

Use of Deep Pumps in Soviet Oil Wells

	Number of Wells Fitted With Deep Pumps	Percentage of Total Wells in Operation
Azerbaijan Oil Trust.....	750	33.8
Grozny Oil Trust.....	250	66.7
Emba Oil Trust.....	60	87.0

Data presented in reports for June of this year showed that 59 per cent of the total drilling done by the Azerbaijan Oil Trust and 20.5 per cent of the total by the Grozny Oil Trust had been effected by the rotary process.

These innovations have rendered possible a marked development of production. The average monthly output has risen steadily during the past three fiscal years, as the following figures demonstrate:

Average Monthly Petroleum Output in Poods

	1922-23	1923-24	1924-25
Azerbaijan Oil Trust...	18,200,000	21,556,000	24,200,000
Grozny Oil Trust.....	7,650,000	8,290,000	10,602,000
Emba Oil Trust.....	677,000	638,000	965,000

In comparison with the corresponding average for 1922-23 the average monthly output for 1924-25 shows an increase of 6,000,000 poods, or 33 per cent, in the case of the Azerbaijan Oil Trust; 2,952,000 poods, or 38.6 per cent, in the case of the Grozny Oil Trust; and 288,000 poods, or 42.5 per cent, in the case of the Emba Oil Trust.

The expansion of production was accompanied by an increase in drilling. The next table illustrates the progress of drilling operations during the same three fiscal years (in sazhen*):

Total Distances Drilled in Sazhens

	1922-23	1923-24	1924-25
Azerbaijan Oil Trust...	23,660	85,955	53,000
Grozny Oil Trust.....	7,872	18,986	25,500
Emba Oil Trust.....	242	764	1,614

As is evident, during the fiscal year 1924-25 the Azerbaijan Oil Trust did 2.3 times as much drilling as in 1922-23, the Grozny Oil Trust 3 times as much, and the Emba Oil Trust 6.7 times.

Wages in the Soviet oil industry have grown hand in hand with production. During 1924-25 the employes of the Azerbaijan Oil Trust received wages 43.4 per cent higher than in 1922-23, those of the Grozny Oil Trust 59 per cent higher, and those of the Emba Oil Trust 83.5 per cent higher.

Soviet Petroleum Industry in August

During August the Soviet petroleum industry maintained its activities at the same level as during the preceding months, neither the labor force employed nor the gross output undergoing any substantial change, as is evident from the following table:

Number of Workers in July and August

Oil Trust	Number of Workers in the Field at end of Month		Ratio of August to July in %
	August	July	
Azerbaijan	27,369	27,535	99.4
Grozny	7,321	7,183	101.9
Emba	2,191	2,168	101.1
Total.....	36,881	36,886	100.0

Output in July and August

Oil Trust	Gross Output in Tons		Ratio of August to July in %
	August	July	
Azerbaijan	429,000	423,000	101.3
Grozny	160,000	166,000	96.2
Emba	18,000	17,000	106.2
Total.....	607,000	606,000	100.0

The small decline in the output of the Grozny field, due to a diminution of gusher activity, was

*One sazhen equals 7 feet.

compensated by production increases in the Emba and Baku regions.

The number of wells in operation remained practically stationary, amounting to 2,380 in August, as compared with 2,379 in July. Drilling activities were likewise maintained at the previous level, as illustrated by the following figures:

Number of Wells Drilled or Deepened

Oil Trust	Number of Wells		Ratio of August to July in %
	August	July	
Azerbaijan	225	220	102.3
Grozny	115	115	100.0
Emba	6	10	60.0
Total.....	346	345	100.3

Distance Drilled in Meters

Oil Trust	Distance Drilled		Ratio of August to July in %
	August	July	
Azerbaijan	12,774	14,528	87.9
Grozny	7,710	6,287	122.6
Emba	416	515	80.8
Total.....	20,900	21,330	98.0

Attention is attracted by the greater distance drilled in the Grozny field, where drilling has been steadily increased during the past months in accordance with the program for larger operations in this region.

Total Oil Production for First Eleven Months

Total production for the first eleven months of the Soviet fiscal year, October 1, 1924 to August 31, 1925, amounted to 6,306,320 metric tons, compared with 5,517,002 tons for the same period of the previous year. The rate of production for the period was about 77 per cent of that for 1913.

Petroleum Production Program for 1925-26

The tentative production program of the Soviet petroleum industry for the fiscal year 1925-26 calls for an aggregate output of 521,000,000 poods, including gas and petroleum turned out by small independent producers, this total representing an increase of 18 per cent over the figure for 1924-25.

The proposed total is distributed as follows amongst the oil trusts:

Oil Production Program for 1925-26

	Output Quota in Poods	Percentage of Total
Azerbaijan Oil Trust.....	352,000,000	67.6
Grozny Oil Trust.....	144,000,000	27.6
Emba Oil Trust.....	16,000,000	3.1
Wells of Local Importance.	9,000,000	1.7
Total.....	521,000,000	100.0

The feasibility of accomplishing these production quotas is bound up with the execution of the following drilling program during 1925-26, as compared with 1924-25:

Drilling Program for 1925-26

	1925-26 Sazhens	Drilled in 1924-25 Sazhens
Azerbaijan Oil Trust.....	71,000	53,000
Grozny Oil Trust.....	36,200	25,500
Emba Oil Trust.....	3,000	1,600
Total.....	110,200	80,100

The amount of drilling proposed for 1925-26 is therefore 37.6 per cent more than was done in 1924-25.

In addition to increased drilling, the fulfilment of the production program will require larger expenditures for major construction work in the oil industry, as indicated in the next table:

Expenditures for Major Construction

	1925-26 Gold Rubles	1924-25 Gold Rubles	Percentage Increase
Azerbaijan Oil Trust.....	66,400,000	41,000,000	62
Grozny Oil Trust.....	42,600,000	27,500,000	55
Emba Oil Trust.....	4,800,000	2,700,000	60
Total.....	113,800,000	71,200,000	60

The above-mentioned production, drilling and major construction programs are fully assured by the financial facilities available to the petroleum trusts, and it is even proposed to increase somewhat the proportion of oil industry income to be allotted to the Treasury as State revenue during 1925-26 as compared with 1924-25.

Exports of Soviet Oil Products and their Quality

Kerosene consumption is declining in Europe, so that Soviet kerosene has almost ceased to be exported to that territory for general consumption, but is being directed as formerly to the Near East. However, certain European firms are purchasing Soviet kerosene in order to produce gasoline from it by the cracking process. The trial lots purchased by these firms yielded splendid results, and the Oil Syndicate now has a number of contracts for the delivery of kerosene to Western Europe.

From the moment that exports to the markets of the Near East were resumed Soviet kerosene was very favorably received by the population, which, as in the past, prefers it to the Rumanian oil. Soviet kerosene is, as formerly, considered to be of higher quality than the Rumanian product, which is darker in color, less economical, and does not give so bright a flame.

The rapid growth of Soviet kerosene exports since the resumption of foreign trade is the best indication of its high quality. Soviet kerosene exports, which amounted to 3,600,000 poods in all for the fiscal year 1921-22 and rose to 10,500,000 poods in 1922-23 and to 21,200,000 poods in 1923-24, have, during the fiscal year 1924-25, surpassed not only the volume for the year 1913, but also the pre-war record total for the year 1909, when the exports of Baku kerosene aggregated 23,200,000 poods.

Thanks to their valuable qualities, the Baku lubricating products have long since conquered a firm position for themselves on the European market, and in many countries they have been preferred to lubricants produced elsewhere.

The Oil Syndicate exports machine oil, spindle oil, and cylinder oil. In addition to this it is effecting exports of special sorts of lubricating oils, although in small quantities as yet, to the Baltic States, Finland, and the Scandinavian countries. The Syndicate plans to enlarge its exports of special oils in the near future, inasmuch as other European countries are now very much interested in these products.

Soviet lubricating oils have proved so good that they are being quoted higher than the products turned out by other countries. In one of the issues of the German Oil Gazette the large Schlie-mann firm of Hamburg has observed that the Russian lubricants (machine and spindle oils) now being turned out are not only in no way inferior to the pre-war standards of quality, but even superior in certain respects.

Before the war neither the Baku nor the Grozny field exported any "mazut" (residual fuel oil) for fuel purposes. Immediately after the resumption of Soviet foreign trade fuel oil was being exported on a very limited scale. Its exports amounted to about 330,000 poods, or 1.7 per cent of the total oil product exports, in the fiscal year 1922-23; 2,250,000 poods, or 5.1 per cent of the total, in 1923-24, and some 16,600,000 poods, or 28.8 per cent of the total, for the first 9 months of the fiscal year 1924-25.

At first foreign purchasers were cautious about purchasing the Soviet varieties of fuel oil,* since they were altogether unacquainted with their qualities. The striking success achieved by the Oil Syndicate in the sale of its fuel oil products from its very first appearance on the foreign market is exactly due to the high technical qualities of the products in question.

Characteristic of the situation that soon developed is the fact that the French Ministry of Naval Affairs contracted for mazut without even taking a trial lot, evidently because it had been informed of the good quality of this Soviet fuel oil. The Italian Ministry of Naval Affairs purchased a trial quantity of mazut, after which it promptly ordered a large amount.

Before the war Russia exported small quantities of heavy solar oil. The Soviet exports of this product during the fiscal year 1924-25 apparently reached a total of about 5,000,000 poods. This solar oil is chiefly shipped to Germany. The technical qualities of Soviet solar oil, attention being centered principally on its specific gravity and flashing-point, have been completely satisfac-

*Including "mazut" or residual fuel oil, motor oil, and gas oil, which is a special form of solar oil.

tory to the German firms, and no difficulties have arisen in connection with deliveries made.

Soviet gasoline ("benzin") exports totaled 2,660,000 poods in 1921-22 and rose to 8,174,000 poods in 1923-24. During the first nine months of the fiscal year 1924-25 gasoline ("benzin") exports amounted to 12,855,000 poods and the total for the year will probably stand around 16,000,000 poods, this figure including Baku gasoline and ligroin, as Baku has also begun to export these products recently.

It is worth while mentioning that in the Soviet Union's foreign trade for 1924-25 special importance attaches to the increased exports of gasoline, the most valuable petroleum derivative and one that is, besides, assured of a sale because of the great development of automobile transport and aviation in foreign countries. The figures cited above demonstrate that the Oil Syndicate has achieved very extensive success in the exportation of gasoline. Apart from the influence of the well known causes of the enormous gasoline consumption increase abroad, these enlarged sales of Soviet gasoline are to be explained in large measure by the fact that its technical qualities completely meet the standards set by the foreign market with respect to this product.

Soviet ligroin exports are likewise bound to increase during forthcoming years. This product is purchased chiefly by England.

It has already become sufficiently clear that the high quality of Soviet petroleum products assures their success on the foreign market.

New Petroleum Pipe Lines

In June, 1925, the Council of Labor and Defense concluded that the problem of transporting petroleum from the Grozny and Baku fields to the Black Sea ports for exportation could be solved economically, expediently and opportunely by the construction of new pipe lines. In this connection the Council gave its general approval to the tentative project that had already been drafted by the Grozny Oil Trust for a pipe line from its fields to the port of Tuapse on the Black Sea and decided to begin its construction. The limit for completing the work on this pipe line was provisionally set in the fiscal year 1927-28.

The Council of Labor and Defense likewise approved a preliminary plan drawn up by the Azerbaijan Oil Trust for a Baku-Batum pipe line, which is to parallel the existing kerosene pipe line. In this regard the Council decided that in building this pipe line the section from Batum to Khashuri Station is to be laid down first.

The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

Soviet Foreign Trade

THE attraction of foreign capital to finance Soviet foreign trade is accomplished by way of concession agreements, through the organization of export-import joint-stock companies of a mixed character, i. e., companies with the combined participation of foreign and Soviet State capital, and also by obtaining export and import credits from foreign mercantile and credit institutions.

The number of foreign firms conducting foreign trade operations within the limits of the Soviet Union on the basis of concession agreements is very small, and there are only two such concession concerns in activity at the present time. The export business turnover of ten mixed companies for the first nine months of the fiscal year 1924-25 amounted to 21,500,000 gold rubles, not including the turnover of the mixed timber export companies and the mixed concerns engaged in trade with the East.

Financing with foreign capital plays a much more extensive part in the export operations of the State and cooperative organizations of the Soviet Union. This occurs in the form of advances against sales, loans on the security of export goods and also through financing agreements.

During the fiscal year 1924-25, ended September 30, 1925, financing contracts were closed for the exportation of furs, textile fibers, butter, eggs, meat products, fish products, medicinal herbs, tobacco, fruits, carpets, rags, and a number of export articles of secondary importance. The figures cited below illustrate how extensive was the attraction of foreign capital in financing the movement of individual export commodities:

During the fiscal year 1924-25, through financing contracts and bank credits, foreign capital in the amount of over 20,000,000 gold rubles was attracted to finance Soviet flax exports, 40,000,000 gold rubles for fur exports, and 2,500,000 gold rubles for eggs. In the financing agreements that were concluded the foreign firms extended credits not only against bills of lading and against goods in foreign ports, but also in the form of advances for purchases, for the equipment of butter dairies and bacon factories, and for other purposes. As a general rule, no difficulty was experienced in obtaining credits on the security of export merchandise lying abroad and the loans were made at the borrowing interest rates normally prevailing in the foreign market.

It may be expected that foreign capital financing of Soviet export trade will be materially extended during the course of the new fiscal year 1925-26 beginning October 1, 1925. Even before that date large advances had been received against forthcoming grain sales, new contracts had been closed for the financing of fur exports and ad-

vances were made against textile fiber sales, together with offers of credits to finance the purchase of export lots of textile fibers.

Foreign credits are already being offered against goods at the port of Leningrad. Agreements for financing the exportation of butter, bacon and similar commodities will simultaneously include advances for equipping the dairies and furnishing operating accessories, for organizing the bacon factories, and for other measures directed toward the restoration and extension of the export branches of the country's economic life.

Soviet Grain Exports

The proportion of the Soviet Union's agricultural production available for the market during the fiscal year 1925-26 is estimated to amount to 3,100,000,000 gold rubles in value, which is 600,000,000 gold rubles above the corresponding total for 1924-25. The percentage of the country's agricultural output that could be sent to the market has varied as follows during recent years, the analogous figure for the pre-war year 1913 being included for comparative purposes:

Percentage of Agricultural Output Available for Market

Year	Per cent
1913	33.6
1921-22	23.0
1924-25	31.2
1925-26	31.8

Of the above trading volume of agricultural production the equivalent of 550,000,000 gold rubles at pre-war prices has been designated for exportation, 448,000,000 gold rubles of this amount consisting of cereals. The next table records the Soviet Union's grain exports during recent years as compared with the pre-Revolutionary period.

Year	<i>Grain Exports</i>	Poods
1913	1,000,000,000	
1914	372,000,000	
1916	41,000,000	
1923	183,000,000	
1924	72,000,000	
1925-26	410,000,000	

Before the war Russia's share of the aggregate exports of the principal grains to the leading world markets constituted 45 per cent, but even during the early years of the war her role had dropped to minimal dimensions and, as the preceding table shows, Russian grain exports for the year 1916 amounted to but 41,000,000 poods, i. e., to 4.1 per cent of her 1913 total. During the current fiscal year the Soviet Union's grain exports will reach 41 per cent of the figure for 1913.

On September 21 British papers reported that 500,000 tons of Soviet wheat and barley had been ordered for England. One hundred vessels have been chartered for the transportation of this grain. These orders were given to the Russo-British Grain Export Co., in which British cooperative organizations, Soviet cooperative organizations and shipowners participate.

Soviet Timber Trade with France

In connection with the conclusion of a large transaction for the delivery of Soviet timber to the well known French firm of Odon de Luberzac, the Northern Timber Trust ("Severoles") of the Soviet Union supplied the press with the following details of timber trade with France.

The firm of Odon de Luberzac, one of the largest operators of French shipping, undertook the general representation of the Northern Timber Trust in France back in the Autumn of 1923 for a single navigation season by way of a trial.

Thanks to persistent and skilful work, it proved possible to sell about 4,000 standards of White Sea timber in France during the navigation season of 1924 at prices that were, at any event, no lower than those obtained on the British market.

The shipments made aroused considerable interest on the part of French importers and produced a favorable impression through their quality and their conformity with pre-war standards. The agreement with the firm of Odon de Luberzac is the result of this good showing.

The arrangement furnishes a good basis for developing the exportation of White Sea timber to France. The Compagnie Centrale de Bois, which does business with O. de Luberzac and has heretofore imported up to 100,000 standards of Swedish, Finnish and Polish timber a year, has bound itself to cover a considerable part of its imports during the next five years with products of the Northern Timber Trust.

According to the terms of the arrangements the most advantageous specifications, as well as basic prices, will be established in advance for each year by mutual agreement. Credits will be extended to the Northern Timber Trust on the basis of these prices against timber delivered f. o. b. to port of shipment.

At the same time the French firm has undertaken to exercise all its influence to have French import tariff rates on Soviet timber equalized with those enjoyed by other importers.

A number of shiploads of timber were scheduled for shipment under this agreement during the navigation season of the current year. By the opening of next year's navigation season 20,000 standards of lumber are to be ready for shipment to France.

Exports of Donets Coal

In an interview given to the press on September 15 Mr. Hurgin, Director of "Exportugol" (Coal Export Bureau) stated that the exportation of bituminous and anthracite Donets coal was proceeding successfully.

From the opening of the navigation season up to the 15th of September 12,000,000 poods (200,000 tons) of bituminous and anthracite coal had been exported from the port of Mariupol. The aggregate exports for the present year will be 13,700,000 poods, which will constitute 130 per cent of the established quota.

All of the coal exported has already been sold. Meanwhile trial lots of coal have been shipped to Austria and France. Most of the coal was sold in Italy, Greece, Turkey, and Egypt. Soviet coal is enjoying great success in the East. In some Greek plants it is driving out coal imported from other countries.

Donets coal is also meeting with great success in Italy. Some Italian firms have advised that they desire to change to Donets coal, provided "Exportugol" (Coal Export Bureau) can supply them with the required quantities.

All these facts point to increased exports of Donets coal during the forthcoming year.

On September 15 the steamer "Putney" was loading 5,000 tons of Donets coal at the port of Mariupol for delivery to Rouen, France. During the near future 15,000 tons more of Donets coal were to be shipped to Marseilles and Rouen.

Soviet Trade with Poland

During the early days of September two representatives of Polish industry signed an agreement in Moscow with the People's Commissariat for Foreign Trade for the organization of a Soviet-Polish joint-stock trading company, to be known as the "Sovpoltorg." with a capital stock of 1,000,000 gold rubles. It will be the company's object to develop export-import operations between the Soviet Union and Poland.

The Soviet Trade Delegation in Poland has closed large contracts with Lodz manufacturers for the purchase of 5,000,000 gold rubles' worth of dry goods, a 7-month credit for the entire amount having been extended to the Commissariat for Foreign Trade. In addition to this, during the six weeks preceding September large transactions were concluded for Soviet purchases of more than 1,000,000 gold rubles' worth of industrial products in Poland.

The entire foreign trade turnover between the Soviet Union and Poland during the fiscal year 1923-24 amounted to about 3,500,000 gold rubles, whereas it totaled 4,000,000 gold rubles for the first half of 1924-25. Contracts aggregating 8,000,000 gold rubles were closed during the months of June, July and August.

Soviet Goods on Near-Eastern Markets

In a recent interview with the press Mr. Kislev, the Head Agent of the Soviet Merchant Fleet in the Near East, stated that Soviet goods have won a firm position in Near-Eastern markets.

During the second half of 1924 only 40 Soviet steamers called at Constantinople, whereas 112 Soviet steamships visited this port during the first half of 1925. Soviet vessels have become frequent callers at the ports of Smyrna, the Piraeus, Jaffa, Port Said, and Mersina.

A considerable part of the 130,000 tons of Soviet bituminous and anthracite coal sold to Greece, Turkey, and Egypt was carried in Soviet ships.

Soviet kerosene has conquered a strong place on the Turkish market. The demand for kerosene on the part of Turkish merchants is met by the Soviet Oil Syndicate to the extent of 75 per cent. The Soviet Oil Syndicate has begun to construct special 2,000-ton kerosene storage tanks at Smyrna.

Toward mid-September 20,000 tons of Soviet cement were delivered at the port of Saloniki.

Simultaneously the import of Near-Eastern products to the Soviet Union is increasing, especially in the case of valonia, sesame seed, and fruits.

Foreign Equipment for Soviet Textile Industry

Toward the close of September the Delegation of the Textile Industry presented a report covering its trip to Germany and England for the purchase of equipment.

The first transaction with British textile machinery manufacturers was arranged on the following terms: 10 per cent cash with order, 20 per cent in four-month notes dating from placement of order, 20 per cent upon shipment of the equipment from English ports, and 50 per cent in different payments extending through a period of 20 months. Altogether the delegation placed orders totaling 17,000,000 gold rubles in England with the option of increasing the amount by 4,000,000 more gold rubles.

In Germany the delegation ordered 3,000,000 gold rubles' worth of textile equipment.

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Finances of the Soviet Union

THE following figures record the sale of internal State loans in the Soviet Union during the period extending from July 1, 1922 to April 1 of the current year:

Internal State Loans in Gold Rubles

Name of Loan	4th Quarter Fiscal Year 1921-22	Fiscal Year 1922-23	Fiscal Year 1923-24	1st Half Fiscal Year 1924-25	Fiscal Year Total
A. In Kind:					
1st Grain Loan.....	2,514,162	5,154,110	—	—	7,668,272
2nd Grain Loan.....	—	37,264,780	10,485,589	—	47,750,369
Sugar Loan	—	—	10,903,278	—	10,903,278
Total.....	2,514,162	42,418,890	21,388,867	—	66,321,919
B. In Money:					
1st Currency Loan...	—	51,873,770	46,926,230	—	98,800,000
2nd Currency Loan...	—	—	32,818,530	29,117,075	61,935,605
Peasant Loan	—	—	49,644,767	—	49,644,767
8% Internal Loan....	—	—	26,464,620	17,339,134	43,803,754
Total.....	—	51,873,770	155,854,147	46,456,209	254,184,126
Grand Total	2,514,162	94,292,660	177,243,014	46,456,209	320,506,045

This table does not, of course, include any sales of the bonds of the new 300,000,000 gold ruble Reconstruction Loan just issued for a term extending from October 1, 1925 to April 1, 1930.

As the foregoing figures show, the currency loan sales constitute 79.3 per cent of the total, while sales of loans in kind make up the remainder of 20.7 per cent. The strictly peasant loans, which include the First and Second Grain Loans, as well as the Peasant Currency Loan, have brought in 105,063,408 gold rubles, or 32.8 per cent of the total income from Internal State loans.

Issue of Second Peasant Lottery Loan

At the beginning of October the Presidium of the Central Executive Committee of the Soviet Union heard and approved a report presented by the Financial Administrative Commission of the Federal Commissariat for Finances, concerning the flotation of a second peasant lottery loan. The new loan is to be issued for a period of two years, extending from November 1, 1925 to November 1, 1927, and is to bear interest at 12 per cent per annum. In contradistinction to previous issues of this kind, the present loan will carry four lottery drawings each year and the bonds called in the lottery drawings will not lapse, but upon payment of the prize will be returned to the original holder and will conserve all their rights of participation in subsequent drawings. The loan bonds may be unrestrictedly sold or pledged, and they will be acceptable as security on State contracts and deliveries and as guarantee for the meeting of deferred excise payments and other duties. The loan is to be issued in individual series of 10,000,000 gold rubles each in denominations of 5, 10, and 50 gold rubles. The total amount of the loan

must not exceed 100,000,000 gold rubles. The bonds will be issued by the People's Commissariat for Finances at par, and they will be accepted in payment of the single agricultural tax.

Combined Balance Sheet of Soviet Banks

Figures made public during the month of September showed that the combined balance sheet total of the State Bank and the six leading joint-stock banks in the Soviet Union (Industrial Bank, All-Russian Cooperative Bank, Moscow City Bank, Bank for Foreign Trade, Central Agricultural Bank, Electro-Bank) rose from 3,713,000,000 gold rubles on July 1 to 3,840,000,000 gold rubles on August 1, an increase of 3.4 per cent. Accordingly, despite the customary lull of the summer season, July revealed a tolerably active credit development.

On August 1 the own capital of the banks in question aggregated 247,300,000 gold rubles, as against 245,300,000 gold rubles on July 1, the increase having occurred in the Industrial Bank, the All-Russian Cooperative Bank, the Moscow City Bank, and the Electro-Bank.

Municipal Banks in the Soviet Union

On July 1, 1925, there were 26 municipal and city banks in operation in the Soviet Union with a combined balance sheet total of 290,800,000 gold rubles. Three of the main items in this balance sheet total are deposits—58,700,000 gold rubles, current accounts—105,000,000 gold rubles, and loans from credit institutions—4,800,000 gold rubles.

Out of the total of 229,600,000 gold rubles in the working capital of the municipal banks 203,700,-

000 gold rubles were employed in loan and discount operations, including 46,800,000 gold rubles advanced on long-term credits for specific purposes. In general, since the beginning of the fiscal year 1924-25, i.e., since October 1, 1924, the credit operations of the municipal banks have undergone an intensive development. It is sufficient to point out that from October 1, 1924 to July 1, 1925 the volume of long-term credits granted by these institutions increased 118.5 per cent.

It is planned not only to strengthen the existing municipal banks, but also to open new ones in a number of cities throughout the Soviet Union.

Savings Banks in the Soviet Union

According to statistics published on September 1, 1925, the Soviet Union has 9,000 savings banks, of which 5,500 are rural institutions. Savings banks throughout the Soviet Union received 2,100,000 gold rubles in deposits during June, 2,600,000 gold rubles during July, and 3,300,000 gold rubles during August of this year.

The aggregate of the balances on deposit in all the savings institutions stood at 30,000,000 gold rubles on August 1, 1925, as against 11,000,000 gold rubles on October 1, 1924.

It is planned to bring the number of savings banks in the Soviet Union up to 20,000 during the fiscal year 1925-26, most of the new depositories to be opened up in the rural districts.

Moscow-Peking Air Flight

THE following account of the recent Moscow-Peking airplane flight was written for the Russian newspapers by Mr. Schmidt, one of the pilots:

Even before the take-off in Moscow the pessimists, and there were not a few of them, generally would not admit the supposition of our reaching not alone China, but even Mongolia. Our failure was predicted not only by foreign aviators, but also by a great many Soviet fliers.

Even the direct organizers of and participants in, the flight considered that a 50 per cent success would represent a great achievement for Soviet aviation.

Longer flights had taken place in the aviation practice of the most advanced nations with powerful technical capacity. The round-the-world American flight, the Rome-Tokio, Paris-Tokio flight, and others had been carried out. The American flight, for instance, had been made with thoroughly tried American planes and motors. They had prepared for the flight many months in advance, and yet, with all the enormous technical preparations and material supplies only two of the four American airplanes had reached their goal, and even these two had repeatedly changed motors, chassis, wings, propellers, radiators and other parts, suffering many forced landings in addition to this.

The Italians set out for the flight from Rome to Tokio with 12 machines and spent tens of millions on the project. Nevertheless, of the twelve planes only two reached Tokio.

The French flier, P. d'Oisy, met with disaster at Shanghai in his attempted flight to Tokio. The fate of the other long-distance flights was but little better.

We did not start out on the Moscow-Mongolia-China flight with tested American or French planes and motors. Of the six airplanes constituting the squadron four (two postal planes of the P-1 type, one postal plane of the P-2 type, and one AK passenger plane) were exclusively of Soviet production, built at the "Aviakhim" (formerly the Dux) aviation works in Moscow.

The planes in our expedition were not of a uniform type, either with respect to construction, or with regard to power. Of the six planes in the squadron four were differently built and of the most diverse horse-power. The two postal P-1 planes were equipped with Russian M-5 motors of 400 horse-power, just recently turned out by the "Bolshevik" plant of Leningrad. The postal P-2 plane had an English Sidney-Puma motor of 240 horse-power. The Russian passenger AK plane had a "Salmson" motor of 150 horse-power, while the German "Junkers" plane, of the type employed in Soviet civil aviation, was equipped with BMV motor of 185 horse-power.

FINANCIAL STATEMENT

of the

Issue Department

of the

SOVIET STATE BANK

on October 1, 1925

Assets	Chervontsy
Gold (coin and bullion)	18,476,385
Platinum (bullion)	8,182,606
Foreign Bank Notes (at rate of £1—9 rubles and \$1—1.94 rubles)	4,676,286
Drafts in Foreign Currency for the total am't of 189,436 cherv., less regular discount	170,493
Discounted bills in chervontsy 58,231,514 less regular discount	52,408,363
Securities covering advances on goods 95,- 407 less regular discount	85,867
Total	79,000,000
Liabilities	Chervontsy
Notes transferred to State Bank	75,664,026
Balance to which notes may still be issued..	3,335,974
Total	79,000,000
79,000,000 chervontsy equal 790,000,000 gold rubles.	

Such a diversity in the types constituting the expedition greatly complicated not only the question of flying speed, but also the supply of spare parts and tools, as well as the repair of the planes, motors, etc. Finally, of the six planes making up the squadron four were of Russian Soviet construction, a circumstance that was regarded by some as cause for pessimism.

The Americans on Douglas machines with Liberty motors, the French on Breguet planes, the Italians on Bleriot machines, all on the best well proved machines, did not finish their flights, and we, famous for nothing more than the production of Tula samovars, were setting out on a flight hitherto unwitnessed and unperformed over the vast marsh forests of Siberia, the Baikal Lake and the Desert of Gobi on machines turned out by our factories. With how much more pride do we then

record our success. All six planes, having flown over the Ural, the marshy forest tracts, the Baikal Lake and the Gobi range—all six airplanes reached China.

All six got to China. Apart from the serious damage to the BMV motor of the Junkers plane and the slight breakage suffered by the AK machine when its motor went dead over the Gobi Desert, the aerial expedition reached China without harm. True, we had another slight breakdown on landing at Mayotan, 240 kilometers from Peking.

The program called for the completion of the flight in 30 days. We set out on the 10th of June and were to be in Peking on the 10th of July. The following tables show how this program was executed:

Name of Point	Distance in Kilometers	Program Schedule		Actual Performance	
		Date Due	Number of Flying Hours	Date of Arrival	Number of Hours Flown
Moscow	—	June 10	—	June 10	—
Nizhni-Novgorod	429	June 10	4	—	—
Kazan	320	June 11	3	June 10	6 hrs. 17 min.
Sarapul	320	June 13	3	June 11	2 hrs. 20 min.
Krasnoufimsk	323	June 13	3½	—	—
Kurgan	457	June 16	4	June 13	6 hrs. 10 min.

The remaining data are taken from the log of the P-2 plane with the Puma motor, as the log of

the P-1 with the M-5 motor, which flew on to Tokio, has not yet arrived from Japan.

Name of Point	Distance in Kilometers	Program Schedule		Actual Performance	
		Date Due	Number of Flying Hours	Date of Arrival	Number of Hours Flown
Omsk	600	June 16	3½	June 14	5 hrs. 9 min.
Kainsk	280	June 19	3	—	—
Novo-Nikolayevsk	320	June 19	3	June 16	5 hrs. 7 min.
Mariynsk	350	June 23	3	—	—
Krasnoyarsk	370	June 23	3½	June 21	6 hrs. 47 min.
Nizhne-Udinsk	402	June 26	4	June 23	4 hrs.
Irkutsk	492	June 26	4½	June 24	3 hrs. 35 min.
Verkhne-Udinsk	241	July 2	3	—	—
Kiakhta	193	July 2	1½	—	—
Urga	256	July 3	3	July 1	8 hrs.
Ude	500	July 6	4½	July 8	6 hrs. 21 min.
Mayotan	460	July 8	4½	July 9	3 hrs. 45 min.
Peking	200	July 8	1½	July 13	2 hrs.

Despite the long delays occasioned by the persistent requests of local public organizations, we went systematically ahead of the program schedule. A prolonged, raging cyclone, which tossed us about over the Baikal and Khamar-Daban and lasted ten days, held us up for a long while. Nevertheless, we arrived at Mayotan, a Chinese city 240 kilometers from Peking, on July 9 and it was only due to a delay in technical and formal arrangements at Peking that prevented us from reaching the Chinese Capital before the 13th of July.

The P-1 plane with the M-5 motor flew the entire distance to Peking in 52 hours, making an average speed of 130 kilometers per hour. The

other five machines covered the distance in from 57 to 59 hours.

The diversity of the types constituting the squadron, which had such a serious effect on the flying speed of the expedition as a unit and on repairs en route, furnished an opportunity at the same time to make a reliable comparison and test of the performance of the Soviet-built planes and motors with that of tried planes and motors of foreign construction on a long and difficult trip. The results showed that the Soviet airplanes met the test brilliantly. Some of the Russian fliers who have hitherto doubted the dependability of Soviet motors now declare that in future flights they will exclusively ask for Russian motors turned out by the "Bolshevik" plant.

The striking popularity of the flight and unprecedented enthusiasm were manifest all along the expedition's route. There were tens of thousands of people to greet us at every point, innumerable carts bringing peasants from the surrounding villages, numerous meetings attended by the peasantry, great gatherings of thousands at the aerodromes, at the railroad shops, at the military camps, incessant delegations from factories, as well as troupes of "Pioneers" (boy and girl scouts) and school children coming to the landing fields.

Four objects were set for the expedition: (1) to test the attainments of Soviet aviation technology; (2) to explore the Moscow-Mongolia-China air route with a view to preparations for the organization of regular aerial transport connections over the entire line; (3) to test the preparedness of our flying staff; and, finally, (4) to express our friendship for the Chinese people.

As for the first object, the Soviet aviation industry passed the examination brilliantly. The planes and motors of Soviet production not only accomplished splendidly a flight of tremendous difficulty, but they even displayed a number of advantages over foreign airplanes.

The technical result of the flight certifies the great achievements of the Soviet aviation industry in motor construction. The efforts of tomorrow must be aimed at further perfection and then at reduced production costs.

With respect to the second object, the Moscow-Mongolia-China air-route has been studied and roughly laid out. The establishment of an airplane line between Verkhne-Udinsk and Peking over the Gobi Desert, by way of Urga, with a flying time of 15 to 16 hours, would represent a great cultural and economic achievement for Mongolia, since the trip from Verkhne-Udinsk to Urga by automobile now requires between two and three full days, while the airplane passage would take only four hours. Furthermore, such a line would without doubt soon become a paying proposition.

Concerning the third object, the flight furnished a severe test of flying skill. It included the most difficult stages under the very worst of weather conditions, often with continuous heavy downpours, low clouds, thick, impenetrable smoke from forest fires over the Siberian marshy woodlands, and the extremely difficult passages over the Baikal Lake, Khamar-Daban and the Gobi Desert. These stretches demanded the utmost skill not only of the pilot, but also of the mechanic, since the slightest motor stoppage over these stages meant destruction.

All these facts are in themselves sufficient proof of the excellent qualities of the Soviet pilots and mechanics. Several forced landings safely made on absolutely unprepared ground and the successful take-offs from these fields enhance the showing of high ability.

The indescribably enthusiastic receptions accorded the squadron in China and Mongolia are

evidence of the friendly feeling of the Chinese people towards us. Notwithstanding the fact that during our flight over China it was necessary, in most of the cases, to alight between 15 and 20 versts from the cities, we were greeted by numerous organizations, a multitude of delegations, and immense throngs of many thousands of people.

All the objects of the aerial expedition were thus fulfilled.

Ports and Railways

RECONSTRUCTION work has been going on in Soviet ports for the past four years. Their channels have been restored to the pre-war depth. In comparison with the situation before the war, their cargo handling capacity even shows improvement, thanks to the installation of mechanical appliances for loading grain and to the increase of mooring space in the ports. Thus, a new wharf with accommodations for five steamers has recently been completed at the port of Nikolayev, while an additional mooring basin 30 feet deep with room for four large steamships is being finished at Novorossiysk.

A great deal has been done toward placing loading and unloading operations at the principal export ports on a machine basis. At the port of Odessa two grain elevators, each of 400,000 poods' capacity, have been equipped with mechanical apparatus for receiving grain and delivering it to vessels. In addition to this, four conveyors with an individual capacity of 50 tons an hour have been installed for the purpose of transferring grain products directly from freight cars to export ships. A British grain loader of the stationary type with a capacity of 200 tons per hour has also been set up at this port.

Seven grain-loading units with a combined capacity of 400 tons an hour have been installed at the port of Nikolayev to transfer grain from freight cars to steamers.

Three British loaders with an aggregate hourly capacity of about 200 tons have been erected at the port of Theodosia. Two loading units of the same type with an aggregate capacity of 200 tons per hour have been newly equipped at Novorossiysk.

Simultaneously the People's Commissariat for Transports appropriated about 1,750,000 gold rubles for improving the approaches to Soviet ports and the facilities for loading and storing grain. Special attention is being devoted to the extension of channel deepening activities and the rehabilitation of the technical harbor maintenance equipment in the shallow ports of the Azov Sea.

All the port improvement work scheduled to be finished by October 1, 1925, was designed to raise the cargo handling capacity of the ports by 20 per cent. In general, the southern ports have

almost recovered their pre-war traffic capacity.

Lately the process of putting grain-loading operations at Soviet ports on a machine basis has attained large dimensions. The aggregate capacity of all the mechanical loading equipment at the ports comes up to 3,000 tons per hour, which means an annual handling capacity of 180,000,000 poods of grain on the basis of 1,000 working hours a year. The economy realized through the mechanization of loading operations amounts to 2,000,000 gold rubles a year.

The storage situation at the ports constitutes a special problem. In view of the destruction of the warehouse system during the war period, it is impossible to furnish long-term storage for grain at the ports. It is necessary to plan grain exports from the ports in such a way that not more than approximately one month's grain arrivals remain in the port warehouses at any time.

Moscow-Riga Train Service

Some time ago, in view of the increasing importance of railway passenger traffic between the Soviet Union and Latvia, the People's Commissariat for Transports decided to route all freight over the Moscow-Sebezh-Zilupe-Riga line, with the possible addition of one passenger train in both directions each day, if required, and to reserve the Moscow-Smolensk-Bigossovo-Indra-Riga line for passenger traffic exclusively. The reconstruction of the Smolensk-Bigossovo section of this road, for which the Commissariat has decided to appropriate the necessary funds, and the remodeling of station facilities will make it possible to maintain a speed of 50 miles an hour, thus bringing the running time for the Moscow-Riga trip down to a maximum of 24 hours from the present schedule of 31 hours. The Latvian Railway Administration has signified its acceptance in principle of the proposed shift of passenger traffic.

New Railways in Siberia

Several new railway lines are in course of construction in Siberia, tapping districts rich in grain and ore.

Work is being pushed on the South Siberian trunk line, which will connect Orsk, on the border of European Russia, with Barnaul, a distance of 1,250 miles. The greater part of this line has already been completed.

One line under construction will connect the Trans-Siberian railway at Petropavlovsk with Kokchetav, 150 miles south, traversing an important grain region. About half the line will be completed by the end of the year. Another line, also about 150 miles, will run from the Kuznets coal basin north to Kolchugino, through the coal districts of Prokopievsk and Kisilevsk, while south of Kuznets it will tap the rich iron district of Telbes. The spur between Kuznets and Telbes, about 50 miles, will be completed during 1926.

The Soviet Union and Poland

UPON his arrival at Warsaw on October 2 Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, issued the following statement to the Polish press:

"My passage through Warsaw is connected with my journey to Central Europe for health reasons, though I have not decided as yet just where I shall stay. However, in going through Warsaw, I was very glad of the opportunity of stopping here a few days in order that I might, through personal interviews and conversations with the leaders of Poland's policy, help to remove the misunderstandings known to exist in our relations and create some strong points of support for future diplomatic negotiations aiming at a firmer rapprochement between our nations.

"The welcome which was extended to me by the Polish Government and which was permeated with an extraordinarily friendly attitude toward me, not only calls forth feelings of the keenest gratitude on my part, but also constitutes a practical political fact. I must likewise remark upon the very friendly attitude of the press toward my coming.

"Our relations during the past years represent a gradual evolution, continually tending toward the elimination of the factors which have separated us and toward greater friendship between our countries. This is not only a vital necessity for us, but it is, besides, an extremely important international fact. As our Government understands rapprochement and, undoubtedly, as the Polish Government understands it, rapprochement is not characterized by aggression against anybody else. It is sufficient to glance at the map of Europe in order to comprehend what immense significance the situation being created between our Union and Poland possesses for international relations. Insofar as the conflicts between us have most profoundly affected the whole situation of Europe, to the same extent is a firm rapprochement between us naturally bound to exercise an extremely far-reaching influence upon the entire international complex of forces and relations.

"This rapprochement presupposes the solution of a considerable number of concrete, practical questions existing between us. Among such questions are to be considered: (1) a whole series of questions arising from the Riga Treaty, all of which will be the object of careful and detailed negotiations between us, and (2) a great number of questions of an economic character.

"Friendship between States becomes firm and unshakable when it is founded on close and deep-seated economic interrelations. The consolidation of our own national economic life and the development of the Soviet Union's productive forces are resulting in the expansion of our foreign trade

relations, something which has already had a very marked influence upon our economic relations with Poland. Our large present orders in Poland are only the beginning of economic relations which will undergo their full development only when a commercial treaty has been concluded between our Union and Poland. With the commercial treaty are also bound up other questions of an economic character, such, for example, as the problem of transit traffic, which have a most profound effect on the economic life of the interested parties. Added to these major tasks is a large number of less important problems of a diplomatic character, combined with a considerable measure of economic significance, such as the forthcoming conclusion of a railway convention.

"With regard to all these questions efforts will lead to desirable results only in the event that the policy of each of the two Governments is directed unconditionally along lines of good will and friendship with respect to the other party. In this fundamental task of creating a policy of friendship by each party toward the other, personal meetings and direct intercourse with the leaders of the other party's policy possess inestimable importance. In the case of Poland the solution of this problem is easier than with certain other nations, since the naturally and irresistibly developing friendship of our country for the peoples of the East, based upon our recognition of the principle of the right of all peoples to national self-determination, does not encroach in the least upon any interests of the Polish nation. With regard to certain difficulties that have arisen between our Union and Poland, their settlement is by no means insuperable. At the present time, when so many elements of conflict are abroad in the world and so many more may arise and are arising from unforeseen circumstances, the establishment of firm lines of friendship by each of our Governments with respect to the other is of especially weighty importance to both."

When the reporters asked what were the present aims of Soviet policy, Mr. Tchitcherin answered:

"The sole object of our policy is peace with other nations."

In response to a question as to whether an arrangement for transit would constitute the principal condition for the conclusion of a commercial treaty, Mr. Tchitcherin declared:

"In concluding a commercial treaty between two countries it is always one of the fundamental desires of both parties to obtain the right of transit through the other country. I doubt whether anybody has concluded such a treaty without the right of transit."

In answer to a question regarding the demands which the Soviet Government would put forward in concluding a commercial treaty, Mr. Tchitcherin stated:

"I cannot say anything in advance about that.

These questions will be cleared up when the negotiations begin."

Upon being asked whether the present conversations would take the shape of an agreement, Mr. Tchitcherin answered:

"A treaty is always the result of prolonged labors, the culmination of conversations."

The Chinese Eastern Railway

IN ITS October 15 issue, the *Russian Review* printed the full text of the Chinese-Soviet Agreement signed on May 31, 1924. On the same date an "Agreement for the Provisional Management of the Chinese Eastern Railway" was signed by the representatives of the two powers. The following is the full text of this agreement:

The Union of Soviet Socialist Republics and the Republic of China mutually recognizing that, inasmuch as the Chinese Eastern Railway was built with capital furnished by the Russian Government and constructed entirely within Chinese territory, the said railway is a purely commercial enterprise and that, excepting for matters appertaining to its own business operations, all other matters which affect the rights of the Chinese National and Local Governments shall be administered by the Chinese Authorities, have agreed to conclude an Agreement for the Provisional Management of the Railway with a view of carrying on jointly the management of the said Railway until its final settlement at the Conference as provided in Article II of the Agreement on General Principles for the Settlement of the Questions between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, and have to that end named as their Plenipotentiaries, that is to say:

The Government of the Union of Soviet Socialist Republics: LEV MIKHAILOVITCH KARAKHAN.

His Excellency the President of the Republic of China: VI KYUIN WELLINGTON KOO.

Who having communicated to each other their respective full powers found to be in good and due form, have agreed upon the following Articles:

ARTICLE I.

The Railway shall establish, for discussion and decision of all matters relative to the Chinese Eastern Railway, a Board of Directors to be composed of ten persons, of whom five shall be appointed by the Government of the Union of Soviet Socialist Republics and five by the Government of China.

The Government of the Republic of China shall appoint one of the Chinese Directors as President of the Board of Directors, who shall be the Director-General.

The Government of the Union of Soviet Socialist Republics shall appoint one of the Russian

Directors as Vice-President of the Board of Directors, who shall also be the Assistant Director-General.

Seven persons shall constitute a quorum, and all decisions of the Board of Directors shall have the consent of not less than six persons before they can be carried out.

The Director-General and Assistant Director-General shall jointly manage the affairs of the Board of Directors, and they shall both sign all the documents of the Board.

In the absence of either the Director-General or the Assistant Director-General, their respective Government may appoint another Director to officiate as the Director-General or the Assistant Director-General (in case of the Director-General, by one of the Chinese Directors, and in that of the Assistant Director-General, by one of the Russian Directors.)

ARTICLE II.

The Railway shall establish a Board of Auditors to be composed of five persons, namely, three Russian Auditors, who shall be appointed by the Government of the Union of Soviet Socialist Republics, and two Chinese Auditors, who shall be appointed by the Government of the Republic of China.

The Chairman of the Board of Auditors shall be elected from among the Chinese Auditors.

ARTICLE III.

The Railway shall have a manager, who shall be a national of the Union of Soviet Socialist Republics, and two Assistant Managers, one to be a national of the Union of Soviet Socialist Republics and the other to be a national of the Republic of China.

The said officers shall be appointed by the Board of Directors and such appointments shall be confirmed by their respective Governments.

The rights and duties of the Manager and Assistant Managers shall be defined by the Board of Directors.

ARTICLE IV.

The Chiefs and Assistant Chiefs of the various Departments of the Railway shall be appointed by the Board of Directors.

If the Chief of Department is a national of the Union of Soviet Socialist Republics, the Assistant Chief of the Department shall be a national of the Republic of China, and if the Chief of Department is a national of the Republic of China, the Assistant Chief of Department shall be a national of the Union of Soviet Socialist Republics.

ARTICLE V.

The employment of persons in the various departments of the railway shall be in accordance with the principle of equal representation between the nationals of the Union of Soviet Socialist Republics and those of the Republic of China.

ARTICLE VI.

With the exception of the estimates and budgets, as provided in Article VII, of the present agreement, all other matters, on which the Board of Directors cannot reach an agreement shall be referred for settlement to the Governments of the Contracting Parties.

ARTICLE VII.

The Board of Directors shall present the estimates and budgets of the Railway to a joint meeting of the Board of Directors and the Board of Auditors for consideration and approval.

ARTICLE VIII.

All the net profits of the Railway shall be held by the Board of Directors and shall not be used pending a final settlement of the question of the present Railway.

ARTICLE IX.

The Board of Directors shall revise as soon as possible the statutes of the Chinese Eastern Railway Company, approved on December 4, 1896, by the Tsarist Government, in accordance with the present Agreement and the Agreement on General Principles for the Settlement of the Questions between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924, and, in any case, not later than six months from the date of the constitution of the Board of Directors.

Pending their revision, the aforesaid statutes, insofar as they do not conflict with the present Agreement on General Principles for the Settlement of the Questions between the Union of Soviet Socialist Republics and the Republic of China, and do not prejudice the rights of sovereignty of the Republic of China, shall continue to be observed.

ARTICLE X.

The present Agreement shall cease to have effect as soon as the question of the Chinese Eastern Railway is finally settled at the Conference as provided in Article II of the Agreement on General Principles for the Settlement of the Questions between the Union of Soviet Socialist Republics and the Republic of China of May 31, 1924.

ARTICLE XI.

The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective Plenipotentiaries have signed the present agreement in duplicate in the English language and have affixed thereto their seals.

Done at the city of Peking this Thirty-first Day of May, One Thousand Nine Hundred and Twenty-Four, which is the Thirty-First Day of the Fifth Month of the Thirteen Year of the Republic of China.

L. KARAKHAN.

V. K. WELLINGTON KOO.

Cultural Life in the Soviet Union

Contributions of Russian Science in the Field of Mathematics, Physics and Chemistry

THE following outline of the contributions of Russian academicians to world science in the domains of mathematics, physics and chemistry is taken from a memorial publication prepared by the Russian Academy of Sciences for its 200th anniversary.

The first mathematician of the Russian Academy of Sciences, Leonard Euler, was one of the principal founders of modern mathematics, and partly of physics. Nearly every one of his works in these fields constituted a revelation. The International Commission engaged in the publication of his works has already been active about twenty years, but has not yet published half of his researches. It took thirty years to publish Euler's posthumous diaries alone. The complete edition of his works will include about 50 volumes of 1000 pages each.

The work begun by Euler was continued by Daniel Bernoulli. Mathematics, mathematical physics, and particularly hydrodynamics, are still under the influence of his remarkable researches. Suffice it to say that the Paris Academy of Sciences ten times awarded him the prizes for the best researches in mathematics and physics. The first scientific treatise on the theory of the motion of fluids belongs to Daniel Bernoulli. Mention should also be made of his brother, Nicholas Bernoulli, and of his nephew, Jacob Bernoulli, also members of the Academy, who carried out important mathematical researches.

Contemporary with and subsequent to Euler was the famous Mikhail Lomonosov, the son of a peasant fisherman, a natural genius, whose prolific researches could be fully appreciated only after the lapse of a century or more.

The French physicist Lavoisier used to be considered as the creator of modern chemistry; but the famous "Law of the Conservation of Matter" was discovered and experimentally demonstrated by Lomonosov 17 years before Lavoisier, and Lomonosov's experiment proves the law in a simpler and more manifest manner than Lavoisier's well known experiment.

Thus, the foundations of modern chemistry were laid by the Russian peasant, Mikhail Lomonosov. From his works it may also be seen that he was acquainted with the law of the conservation of energy, subsequently discovered by Mayer and Helmholtz.

Lomonosov's works also contained an outline of the fundamentals of modern physical chemistry, which has only recently been appreciated. To Lavoisier has been ascribed the introduction of weight relations in chemistry; but this was done by Lomonosov 20 years before him.

The basic ideas of the modern mechanical theory of heat were expressed by Lomonosov, but they were not appreciated at the time, and it was only a century after his death that they were developed.

The first experiments in atmospheric electricity, then recently discovered by Franklin, were also made by Lomonosov, who discovered the effect of ascending and descending air currents upon the development of electricity in the atmosphere, pointing out their importance in meteorology. He was the first to appreciate the importance of lightning-conductors and to express the idea that the *aurora borealis* was due to electrical discharges. He began a great work on the "Theory of Electricity" treated in mathematical terms.

Lomonosov was the first to observe the solidification of quicksilver and determine its freezing point. He was also the first to suggest that the air and the gases in general may be converted into the liquid state by cooling and increased pressure.

It was also Lomonosov who established the Geographical Department in Russia, thus laying the foundation for the study of the country.

Nearly all of the fundamental Russian scientific terminology was created by Lomonosov.

Lomonosov was also the first Russian to practice the mosaic art, which has attained great perfection in Russia.

He founded the first chemical laboratory in Russia, and was largely instrumental in establishing the first Russian university at Moscow.

Next should be mentioned the academician M. V. Ostrogradsky, who made valuable contributions to the study of mathematics, mechanics, and mathematical physics. His researches in mechanics were concurrent with those of the famous Hamilton.

The academician Bunakovsky made valuable contributions to the development of mathematical science. His monumental work on the "Theory of Probabilities" constituted the first treatise in this domain containing a series of independent deductions.

The academician Somov made valuable contributions to the science of theoretical mechanics, particularly to the theory of gravitation. His treatise on theoretical mechanics has lost none of its value to this day.

The genius of the academician Chebishev applied itself both to purely theoretical problems (prime numbers, theory of probabilities, etc.) as well as to the construction of instruments. Chebishev's arithmometer constituted the first Russian-made calculating machine, which was followed by other improved types.

The academician Lyapunov was the author of a remarkable dissertation on the persistence of

motion. He studied the fundamental problems of mathematical physics and carried out important researches on the equilibrium of planetary bodies and evolved new methods to prove the basic theorems of Chebishev on the theory of probabilities.

The academician A. A. Markov wrote a series of treatises on the theory of probabilities, on Chebishev's theory of functions, etc.

The academician A. N. Krymov made a series of practical discoveries, such as new planimeters, a new theory of ship stabilization, etc.

The academician Steklov has made new discoveries concerning the movement of solid bodies in liquids, the movements of a solid body around a fixed point, and the new fundamental functions which have become known as "Steklov's functions."

The academician Uspensky has attained new results in the theory of numbers and continued some of the researches initiated by Chebishev.

Economic Research Department of the U.S.S.R.

THE rapid growth of economic and cultural relations between the Soviet Union and the rest of the world has raised the need for the organization of special research work in the domain of world economics. In Germany special institutes for the study of the economic situation of Eastern Europe (at Breslau, Koenigsberg, etc.) have long been in existence. A number of central scientific institutions of Western Europe and America, not to speak of individual scientists, are constantly inquiring about the economic situation in the U.S.S.R. Soviet State organs are likewise interested in studying the economic situation of the world.

The State Planning Commission ("Gosplan") has now organized a special Economic Research Department, whose task it is to make a systematic and thoroughgoing study of all the dynamic and static economic processes on a world-wide scale, and on this basis to establish the reciprocal effect of economic phenomena as between the U.S.S.R. and other countries.

The State Planning Commission is the supreme organ regulating the national economy of the U.S.S.R., coordinating its individual branches and outlining the course of its further development. An essential part of the State Planning Commission is the Council on Economic and Business Conditions ("Conjuncture Council") which is concerned with the study of the combined action of the world-economic factors that serve as the objective basis for all new economic measures. The Council receives telegraphic reports from all parts of the Soviet Union, on the basis of which it draws up every month a general estimate of the economic situation of the Union. An important section of the Council is the statistical department, which calculates the wholesale price indexes, pub-

lished under the title of "Indexes of the State Planning Commission."

Its close contact with the Council on Economic Conditions, enables the Economic Research Department to furnish systematic information to interested organs in Western Europe about the economic situation in the U.S.S.R. in exchange for similar information by Western institutions on the economic situation in their respective countries.

The Department is now establishing connections with scientific institutions in Europe and America engaged in similar researches, in order to establish permanent correspondence and mutual telegraphic information. The initiative in this respect is largely due to Prof. Irving Fisher, who offered to supply the State Planning Commission with weekly telegraphic reports on indexes in the United States in exchange for the indexes of the State Planning Commission. The proposal was gladly accepted.

The Economic Research Department is headed by Prof. Smilga, Vice-Chairman of the State Planning Commission, assisted by Prof. S. A. Falkner. The Department is divided into 3 sections: (1) Economics, in charge of Prof. J. M. Bukspan; (2) Statistics, in charge of Prof. L. S. Parmonov, and (3) Information, in charge of D. P. Bukhartsev.

The mailing address of the Department is as follows: State Planning Commission, World Economic Research Department, Moscow, Soviet Union. Its cable address is GOSPLAN MIRKHOZ, Moscow.

Increased Appropriation for Academy of Sciences

A budget estimate conference held by the People's Commissariat for Finances of the Soviet Union early in September approved scheduled expenditures totaling 2,178,146 gold rubles for the Federal Academy of Sciences during the fiscal year 1925-26, as against 1,606,779 gold rubles for the previous fiscal year ended September 30.

The sum of 993,230 gold rubles was appropriated for the salary list, as compared with 426,271 gold rubles for the past year. In accordance with the working program laid out by the Academy in this field, the credits extended for the acquisition of collections, books, reagents, scientific equipment and other material have been increased by 200 per cent.

The Academy receives a considerable amount—100 per cent larger than last year—for publishing purposes. The sum of 300,000 gold rubles is allotted for the organization of scientific expeditions.

About 200,000 gold rubles are to be spent for repairing the Academy's buildings and for measures to guard against flood damage to the structures.

All credits issued were agreed upon with the representatives of the Academy.

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771

Miscellaneous News

Joint-Stock Companies in the Soviet Union

The following data concerning the activities of joint-stock companies in the Soviet Union are extracted from a report presented to the Collegium of the People's Commissariat for Foreign Trade during the month of September.

The report reveals that since February 1922, the organization of joint-stock companies has made rapid headway. During the past three years approval has been granted to charter applications by 129 joint-stock companies with an aggregate capital stock of 179,200,000 gold rubles, but quite a few of these never started up and some have been liquidated. Toward the middle of 1925 there were 102 registered joint-stock companies in the Soviet Union with a combined capital of 164,800,000 gold rubles. In addition there were 18 joint-stock credit companies in operation, and including these the total joint-stock capital mounts up to 336,600,000 gold rubles, 70 per cent of it being paid up.

The joint-stock form of organization has been utilized principally by State capital. Only 12.7 per cent of the total capital stock of the trading or trading and industrial joint-stock companies in the Soviet Union falls to the share of organizations in which foreign capital or domestic private capital participates.

The joint-stock companies tend to engage mainly in trade. Although constituting a completely new element in the country's trade, the joint-stock companies have succeeded in bringing their business up to one-sixth of the entire trade turnover of the Union of Socialist Soviet Republics.

During the fiscal year 1923-24 the export transactions of the joint-stock companies amounted to 280,000,000 gold rubles, which is equivalent to 30 per cent of the total business turnover of this class of organizations and to 60 per cent of the Soviet Union's total export trade for that year. The bulk of this joint-stock company export business was done by the Grain Products Company ("Khleboprodukt").

Most of the joint-stock companies make a considerable profit. The net profit cleared by all the joint-stock organizations during 1923-24 totals 22,000,000 gold rubles, which amounts to 2.4 per cent on the business turnover and 19.7 per cent on their own capital.

The report concludes with the statement that the joint-stock form of organization in the Soviet Union has now become firmly entrenched in the country's economic life as the most expedient method of concentrating capital for trading purposes.

State Alcohol Monopoly Department

The Presidium of the Central Executive Committee of the Soviet Union recently recognized the expediency of establishing a Central Department of the State Alcohol Monopoly ("Centrospirit"), operating in accordance with business accounting principles under the supervision of the Supreme Council of National Economy.

At the recommendation of the Federal Council of People's Commissars, the Presidium of the Central Executive Committee decided that it shall be permissible for all distilleries, yeast and alcohol plants, fruit brandy and cognac distilleries, cooperative and private, as well as State establishments, to produce raw alcohol regardless of the products from which it may be made.

The rectification of alcohol, with the exception of fruit-brandy and cognac spirits, shall be carried on in the rectifying plants of the Central Department of the State Alcohol Monopoly and shall also be permitted in all distilleries which possess the requisite facilities. With the exception of fruit-brandy and cognac spirits, all alcohol distilled and rectified at outside plants shall be subject to delivery to the Central Department of the State Alcohol Monopoly.

The Presidium of the Central Executive Committee further prescribes that it shall be permissible to prepare corn-brandy (vodka) only from rectified alcohol and that its production shall be an exclusive State right, exercised by the Central Department of the State Alcohol Monopoly. The alcohol content of vodka must be 40 per cent as measured by Tralles' test.

Brandy products may be prepared by cooperative and private distilleries, as well as by State plants. Cordials may be prepared with an alcoholic content up to 40 per cent, while cognacs and liqueurs may contain up to 60 per cent by Tralles' test.

Alcohol above 40 per cent in strength by Tralles' test, unrectified as well as rectified, shall be sold only for manufacturing, medical and scientific needs.

The foregoing ordinance of the Presidium of the Central Executive Committee went into effect on October 1, 1925.

Information Sought by British Parliamentary Delegation

During September the British Parliamentary Delegation addressed a communication to the Supreme Council of National Economy of the Soviet Union requesting information in summary form with regard to the following general subjects:

1. Russia's pre-war production in the leading industrial branches, together with data concerning agriculture.

2. A general outline indication of the extent to which the productive forces of Russia were undermined by the World War, the civil war and the blockade.

3. Russian production, expressed in monetary value and, if possible, in quantity units, for the year 1913, from 1918 to 1924 inclusive, and also for the first half of 1925.

4. The extent to which present production meets the needs of the population.

5. How the requirements of the population are estimated.

6. The monetary value in English Pounds Sterling and the volume of Russian imports for the years 1913, 1918 to 1924 inclusive, and the first half of 1925.

7. The monetary value in English Pounds Sterling and the volume of Russian exports for the same years as named above.

8. The general features of the plan to increase Russia's production of export goods.

9. The extent to which it is possible for Russia to produce general machinery and machinery for making other machines during the course of the next five years.

10. All other information that may be of interest to the delegation with regard to related questions.

On the basis of the data collected during their sojourn in the Soviet Union, as well as of their personal impressions and investigations, the British Parliamentary Delegation published a report immediately after their return to England.

Compulsory Military Service

On September 18, 1925, the new law concerning compulsory military service was confirmed by the Presidium of the Central Executive Committee. The following are the main features of the law:

Military service is based upon the principle of compulsory military duty. The law sets out from the standpoint of the unity of Soviet citizenship and makes no distinctions amongst the various nationalities with respect to obligatory military service. In the case of citizens of localities where the performance of military duty in the usual manner is impracticable owing to social, economic and other causes, a special method of doing military service will be established.

Liability to call for military service throughout a period of 21 years, falling between the ages of 19 and 40 inclusive, is to be introduced for all working citizens physically fit for war duty. During this entire period the citizens in question are considered to be subject to military service.

Compulsory military service consists of preparatory training for military service, actual military service, and enrollment on reserve. Preparatory training before the call to actual service is to be conducted outside of the army for one month annually during the two years beginning with

the age of 19. Actual military service begins after the citizens have reached 21 years of age. The duration of actual military service varies from two to four years—four years in the navy, three years in the air force and cost defense and two years in all other arms of the service.

The law contains special norms concerning the military service of citizens who are graduates of higher educational establishments, workers' colleges, technical high schools and secondary schools. The duration of their actual service in the ranks of the army is fixed at one year.

The law provides exemption from compulsory military service for citizens whose religious teaching forbids them to engage in warfare as combatants, but on condition that they present a certificate from their provincial court testifying that they actually hold such convictions.

Persons of certain categories who are deprived of the right to vote at Soviet elections are exempt from active military service and are instead subject to special duties established in a special law. In case of war they are liable to non-combatant service in the rear.

Upon completion of actual military service citizens bound to war duty are enrolled in the reserves of the Red Army. Reserve service is divided into two parts, the first extending up to the age of 34 and the second up to the age of 40 inclusive.

Results of 1924-25 Cotton Planting Campaign

According to data issued in September by the Chief Cotton Committee the following were the actual cotton plantings in the various producing regions of the Soviet Union during the fiscal year 1924-25, ending September 30:

Cotton Area in 1925

	Dessiatins
Uzbekistan	429,200
Turkmenistan	51,400
Azerbaijan and the Nakhichevan Autonomous Area.....	96,300
Armenia	15,100
Georgia	5,200
Abkhasia	1,300
Total for Soviet Union.....	598,500

The actual sown area in Uzbekistan surpassed the program total by 9 per cent.

PAMPHLETS

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Soviet Agriculture in 1925

SOVIENT crops this year were much better than last year. This is due both to the extension of the sown area and to the higher average yield.

The Soviet Union's sown area as a whole for the year 1925 may be set at between 229,500,000 and 232,200,000 acres, which constitutes an increase of 5 to 6 per cent over the preceding year. As was also the case the previous year, the sowings of plants yielding industrial raw materials (commonly termed "technical" crops in Soviet agricultural reports) showed a larger expansion than the grain area, the former augmenting 22 per cent and the latter 5 per cent. The growth of the "technical" crop plantings was not arrested by the poor harvest of 1924. On the contrary, it has undergone a marked increase since then. Up to that time, down through the year 1923, Soviet agriculture presented the opposite situation—a faster growth of the grain area. However, the crop failure of 1924 did leave its mark upon the sown area for 1925. The most prominent traces of this influence are the increases of 20 per cent in the millet area and 45 per cent in the corn (maize) area, together with a decline of 13 per cent in the case of barley.

The yield per acre in 1925 is considerably larger than in 1924. On the basis of the 5-point system

employed in Soviet crop estimates, the average condition for 1925 is 3.4 as compared with 2.3 last year. The only low-crop spots are in the central agricultural region and the Volga-Kama district of the R.S.F.S.R. (Soviet Russia proper), in the Dniester River region of the Ukraine bordering upon Bessarabia, and in some localities of the Central Asiatic Republics.

For the entire Soviet Union the average crop harvested per acre in 1925 is estimated at 745 pounds, as against a maximum estimate of 545 pounds in 1924. Only in Siberia and in the "consuming" region (i.e., the Russian territory normally producing less grain than it consumes) is the increase in this year's average yield per acre as small as 2 to 5 per cent above last year's harvest. In the other regions the increase is more substantial. Thus, in the "producing" region (i.e., the Central Russian territory normally producing more grain than it consumes), in the Ukraine and Kazakhstan (i.e., Kirghizia) the increase stands between 36 and 55 per cent, while in the Northern Caucasus it even rises 116 per cent above the 1924 average. The following figures giving the average yield per acre for individual grains in 1924 and 1925 reveal the same situation:

Average Yield Per Acre in Bushels and Pounds

	Rye	Wheat	Barley	Oats	Millet	Maize
1924	10.23 bushels 573 pounds	8.22 bushels 493 pounds	10.50 bushels 507 pounds	17.50 bushels 560 pounds	5.23 bushels 293 pounds	15.95 bushels 893 pounds
1925	12.14 bushels 680 pounds	12.67 bushels 760 pounds	18.60 bushels 893 pounds	24.16 bushels 773 pounds	10.94 bushels 613 pounds	22.14 bushels 1,240 pounds
Percentage Ratio of 1925 to 1924.....	119	154	176	138	209	139

The knowledge of the sown area and the yield per dessiatin makes it possible to calculate the gross grain crop for 1925. The figures for the

various territories of the Soviet Union are included in the next table together with the corresponding totals for 1923 and 1924:

Gross Soviet Grain Crop for 1923, 1924, and 1925

Region	1923 Metric tons	1924 Metric tons	1925 Metric tons	Increase of 1925 over 1924 Metric tons
"Consuming" and White Russia.....	6,525,000	7,475,000	7,984,000	509,000
"Producing" and Crimea.....	16,245,000	14,328,000	21,115,000	6,787,000
North Caucasus and Daghestan.....	4,311,000	3,197,000	8,394,000	5,197,000
Ukraine and Moldavian Republic.....	15,738,000	12,266,000	18,920,000	6,654,000
Siberia and Far-Eastern Region.....	3,738,000	4,508,000	5,574,000	1,066,000
Former Kirghiz Soviet Republic.....	689,000	967,000	1,426,000	459,000
Former Turkestan and Transcaucasian Federation	3,295,000	3,000,000	3,262,000	262,000
Total.....	50,541,000	45,741,000	66,675,000	20,934,000
Same, plus Soviet Farms and other Special Farms	51,525,000	46,557,000	67,934,000	21,377,000
Total for the Ukraine, "Producing" Region, and Northern Caucasus.....	36,294,000	29,791,000	48,429,000	18,638,000

This is a record crop for the peace years of the Soviet Union's existence. The 1925 harvest is not much behind the average for the five-year period preceding the war. To convey a good idea of its magnitude it is sufficient to point out that the current year's crop total is 16,000,000 metric tons larger than the harvests of 1922 and 1923 and 21,000,000 metric tons above the figure for the year 1924.

In those regions of the European territory of the Soviet Union which are the main suppliers of grain for the domestic and export markets the crop this year is over 18,500,000 metric tons greater than last year. In 1924 these regions suffered a crop shortage of 6,560,000 metric tons as compared with 1923, this being the cause of the rising grain prices in this area toward the end of the fiscal year 1924-25.

The net crop per capita of rural population for the Soviet Union as a whole in 1925 is placed at 1,044 pounds, as against 720 pounds last year. The following table shows the changes in the net crop per capita of rural population over the previous year for the main agricultural subdivisions of the Soviet Union:

Net Crop Per Capita of Rural Population in Pounds

Region	1924 Pounds	1925 Pounds	Percentage Ratio of 1925 to 1924
"Consuming"	504	504	100
"Producing"	648	1,008	156
Northern Caucasus ...	900	2,412	268
Ukraine	972	1,584	163
Siberia and Far-Eastern Region	936	1,080	115
Kirghiz Republic	468	720	154

With the exception of the "consuming" region, the present year's crop per capita is considerably larger than last year's.

The Ural, the Volga region, the Northern Caucasus, and the Ukraine form a solid zone with a net per capita crop ranging from 1,188 to 2,412 pounds. This year they once more justified their old title of the "producing" regions. The geography of the 1925 harvest is much more favorable with respect to the concentration of grain for marketing purposes than was the case in 1924, when market supplies of grain had to be procured largely in the remote Ural and Siberia and a considerable part of the "producing" or surplus grain region had to be regarded as a "consuming" or deficit grain region.

The harvest supply of grain will now be compared with the country's consumption requirements. The latter consist of the grain needs of the rural and urban districts in the broadest sense of the term. The following table sums up these requirements:

Tentative Grain Balance Sheet for 1925-26

A. AVAILABLE	Metric Tons
Gross Crop for 1925.....	67,934,000*
B. DISPOSITION	Metric Tons
I. Rural Consumption ...	48,754,000 to 51,197,000
Including:	
(a) Seed	10,689,000
(b) Food	27,836,000 to 29,230,000
(c) Fodder (cattle and poultry).....	10,230,000 to 11,279,000
II. Urban Consumption....	5,262,000 to 5,557,000
Including:	
(a) Food	4,541,000 to 4,770,000
(b) Fodder	721,000 to 787,000
III. Other Consumption	984,000
IV. Exports and Reserves (vis- ible and in producers' hands)	13,098,000 to 10,197,000
Total for Disposition (I-IV).....	67,934,000

All the foregoing disposition items have been determined on the supposition of an increase as compared with last year's figures and the average of the preceding years. Thus, the seed requirements have been based upon a sown area equivalent to 105 per cent of the 1925 area, while the quantity of grain to be used for food has been estimated at 5 per cent above the standard for the last good harvest year, i.e., the fiscal year 1923-24. The amounts allotted for fodder and other purposes have likewise been increased over the average.

After covering all of the country's consumption needs a grain crop surplus of between 10,000,000 and 13,000,000 metric tons will remain. This may be used for exports, for the formation of visible reserves and emergency stocks in the hands of producers.

Peasant Sowings of Sugar-Beets

Before the war sugar-beets in Russia were grown chiefly on the large landed estates. In the year 1911 out of a total of 650,000 dessiatins (1,755,000 acres) sown to sugar-beets 33.3 per cent fell to the share of lands controlled by the beet sugar refineries, 45.2 per cent to sowings on extensive plantations belonging to large estates, and only 21.5 per cent to peasant farms. After the Revolution the private estate type of sugar-beet plantation disappeared altogether and its place was taken by the peasant farms and large-scale sowings of a more strictly economic character, i.e., refinery sowings on tracts of land specially nationalized for the beet industry. Whereas, however, the refinery sowings suffered a considerable curtailment owing to the general economic disruption, the sugar-beet area planted by the peasantry, on the contrary, not only underwent no diminution, but began to expand rapidly from

*According to the latest reports the estimates of the Soviet grain crop have been cut down somewhat due to rains during the harvest. The total grain crop is now estimated at about 65,500,000 tons (2,775,000,000 bushels).

the very first years of the post-Revolutionary period. The following table illustrates the development of sugar-beet sowings during the past few years in the two principal sugar-beet regions of the Soviet Union—the Ukrainian Soviet Republic and the R.S.F.S.R. (Soviet Russia proper):

Year	Total Sowings Dessiatins*	Refinery Sowings Dessiatins	Peasant Sowings Dessiatins
1921	153,600	36,400	117,200
1922	126,900	12,900	114,000
1923	188,000	9,900	178,100
1924	258,800	19,900	238,900
1925	349,200	52,800	296,400

Total Sowings Dessiatins	Refinery Sowings Dessiatins	Peasant Sowings Dessiatins
46,000	10,700	35,300
33,800	7,700	26,100
44,300	9,300	35,000
59,700	18,700	41,000
90,100	28,600	61,500

The total area sown to sugar-beets in 1925 in the Ukrainian Soviet Republic and the R.S.F.S.R. is thus seen to amount to 439,300 dessiatins (1,186,000 acres), which is equivalent to 67.6 per cent of the aggregate sowings for the pre-war year 1911. Whereas the present refinery sugar-beet sowings constitute 37.6 per cent of the pre-war volume of refinery plantings, the sugar-beet area sown by the peasantry in 1925 is equal to 256 per cent of the corresponding area for 1911.

Situation of Soviet Farms

Data issued in September, 1925 show that there are 939 Soviet farms, embracing 1,316 agricultural units, in the trust system into which these farms are organized. The average area of the Soviet farms is 3,097 acres, while the average tillage unit contains 2,200 acres of land. These Soviet farms are supplied with draft animal power to the extent of 25,325 horse units and their mechanical (tractor) power amounts to 3,000 units. In the aggregate this draft power amounts to about 50 per cent of their indispensable requirements. The 939 farms have the following quantities of live-stock:

	Number of Heads	Percentage of Breeding Stock in Total
Horses	25,364	15
Cattle	50,569	38
Hogs	24,657	55
Sheep	122,994	62
Fowl	15,657	—
Camels	512	—

Thus, although the Soviet farms are not rich in live-stock, they possess a large percentage of breeding animals, something that is highly important to the Soviet Union.

*One dessiatin equals 2.7 acres.

The supply of plows possessed by the Soviet farms is equivalent to 107 per cent of their needs, harrows and all sorts of cultivators—130 per cent, seeders—55 per cent, harvesting machines—45 per cent, threshers—60 per cent, and grain-cleaning machines—73 per cent.

The working schedule set up for the State farms during the fiscal year 1924-25 was executed to the extent of 108 per cent with respect to winter sowings and to the extent of 92 per cent in the case of spring sowings. Most of the Soviet farms closed the past fiscal year with a profit.

Local Forests Allotted for Community Use

According to figures published in September, 1925 the People's Commissariat for Agriculture of the Russian Socialist Federated Soviet Republic (i.e., Soviet Russia proper, including Siberia and the Far-Eastern Region) has surveyed 64,640,570 acres of forests, thus completing 87 per cent of the scheduled program. Of this total 33,222,000 acres were found to be of local importance only and turned over to the use of the neighboring communities.

New Grain Elevators

During the current year's building season the State Bank has been erecting 23 new grain elevators, 12 of them in the Ukraine, and 11 in the Northern Caucasus. The capacity of the individual elevators ranges from 1,000 to 1,500 tons, their aggregate capacity being 28,500 tons.

The last available report issued early in October showed that of the 12 elevators under construction in the Ukraine six had already been completed, two were to be finished in October and the other four in November. In the Northern Caucasus three had been finished and three more were to be completed during the course of October.

The State Bank is also having extensive equipment and improvement work done in existing grain elevators. Thus, the storage capacity of the Novorossiysk elevator has been increased to 8,000,000 poods (133,300 tons) and its delivery capacity to 25,000 poods (about 410 tons) an hour. In addition to this, the State Bank is putting up a new port elevator in Nikolayev with the most modern equipment and a capacity of 2,500,000 poods (41,000 tons).

The total capacity of the public grain elevators and warehouses now under the management of the State Bank exceeds 50,000,000 poods (833,000 tons).

SECOND BOUND VOLUME

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Industrial Progress in the Soviet Union

THE following is a brief account of the operation of the Chiatura manganese mines before they were turned over to the Harriman concessionary company for exploitation.

The Manganese Board of the Supreme Council of National Economy of the Georgian Soviet Republic, which controlled these mines, had twelve mines in operation, together with three plants devoted exclusively to washing the crude ore.

Of the nineteen private firms connected with the exploitation of the deposits thirteen engaged in both extracting and washing the ore, while the other six did nothing but wash crude ore, which they either drew from their own old accumulated stocks or received from other concerns that lacked the necessary washing equipment.

The following table shows the development of ore extraction and exports during the first three quarters of the fiscal year 1924-25 as compared with the corresponding figures for the previous year:

Output and Exports of Manganese Ores in 1923-24 and 1924-25

Fiscal Year	Output Tons	Export Tons
1924-25		
First Quarter	86,464	71,088
Second Quarter	84,343	111,787
Third Quarter	129,758	142,976
Total.....	300,565	325,851
1923-24		
First Quarter	65,391	64,688
Second Quarter	76,808	127,423
Third Quarter	96,601	187,705
Total.....	238,800	379,816*

As these statistics illustrate, the process of development in the Chiatura manganese industry went forward at a steadily increasing pace. The slight lag in the second quarter, when production declined a little, was due to the heavy snow storms that raged in the Caucasus last December and the succeeding frosts of unprecedented severity, which paralyzed operations at the mines and the washing plants for a number of months. Even under these adverse conditions the production of the Chiatura mines for the quarter in question recorded an advance of 22 per cent over the output for the same quarter of the preceding fiscal year.

The situation is less favorable with respect to the development of manganese exports. Here the total for the first three quarters of 1924-25 is 15 per cent below the aggregate shipments for the same period of 1923-24. This result must also be

*The excess of exports over the output is to be explained by the accumulation of old stocks.

ascribed to the inclement weather already mentioned, since in addition to a stoppage of mining and washing operations the deep snows and the bitter cold occasioned the disruption of effective rail and highway transportation.

As regards the distribution of Soviet manganese exports by countries, 54 per cent of the total went to the United States, 15 per cent to England, 14 per cent to Holland, 6 per cent to Italy, 4 per cent to Germany, 3 per cent to France, and 2 per cent to Belgium. About one-tenth of the total manganese shipped from the mines was intended for domestic consumption.

In comparison with the previous year the proportion of Soviet manganese exports going to the United States rose from 40 per cent to 54 per cent of the total, to England from 12 per cent to 15 per cent, and to Germany from 0.5 per cent to 4 per cent. Holland's share decreased from 18 per cent down to 14 per cent, while the part received by France showed a particularly sharp decline—from 17.5 per cent in 1923-24 to 3 per cent in 1924-25.

The Harriman Company which has recently started the operation of the Chiaturi mines under a concession agreement concluded with the Soviet Government, is undertaking extensive mechanization work at the Black Sea port of Poti, in preparation to increasing the exports of manganese from Chiaturi to 2,000,000 tons annually. The port facilities are being improved to provide for the loading of eighteen steamships simultaneously.

Situation of Krivoy Rog Manganese Industry

The following figures show the extraction, washing, and export of manganese ore at the Krivoy Rog mines during the months of June and July, 1925:

Month	Ore Mined Tons	Ore Washed Tons	Exported Tons
June	25,000	27,500	13,000
July	30,000	32,000	17,000
Total.....	55,000	59,500	30,000

These figures considerably exceed the mining totals for the mines in question before the war. Krivoy Rog manganese is being exported chiefly to Germany and Italy.

Growth of Soviet Iron Ore Industry

During the fiscal year 1924-25 the Soviet iron ore industry went forward with gigantic strides, far outstripping the previous year's attainments. During the first three quarters of 1924-25, i.e., between October 1, 1924 and June 30, 1925, the combined output of all the iron ore mining enterprises was 1,362,700 tons of ore, as against 913,800 tons for the whole of the preceding fiscal year.

The Krivoy Rog basin was the principal source of iron ore, furnishing 777,600 tons, or 57 per cent, of the total mined during the first three quarters of 1924-25. The foregoing year the output of the Ural region, 439,000 tons, was slightly above the Krivoy Rog production, which amounted to 436,000 tons. During the first three quarters of 1924-25 the Ural mines turned out 546,000 tons of ore, or 40 per cent of the total output. The mines of the central region (Oka and Northern Viatka region) yielded only 3 per cent of total production and evidently cannot be expected to increase their output in the near future.

The development of the Krivoy Rog mines is being promoted not only by the rehabilitation of the southern metallurgical enterprises, but also by exports of iron ore from this field to Poland and Germany. Existing contracts assure further exports. In connection with this preparations for putting a number of new mines into operation were speeded up last summer and it was expected that all the mines held in reserve in the Krivoy Rog basin would be put into operation around the beginning of the fiscal year 1925-26.

Soviet Coal Production Program for 1925-26

The production program for the Soviet coal industry during the fiscal year extending from October 1, 1925 to September 30, 1926 calls for an output of about 24,500,000 metric tons, which is 50 per cent higher than the production for 1924-25 and constitutes 83.2 per cent of the total output of 29,370,000 tons for the pre-war year 1913. It is planned to bring the output of the Donets basin from 12,360,000 metric tons up to 19,400,000 metric tons (an increase of 60 per cent), while the combined production of the other Soviet coal fields is to be raised from 3,862,000 metric tons up to 5,000,000 metric tons (an increase of 30 per cent), thus advancing the country's total from 16,200,000 tons to 24,400,000 tons, a rise of 50.6 per cent.

Erection of New Machine Building Plants

The Main Department of the Metal Industry ("Glavmetal") is beginning the construction of the following new plants: a tractor factory in Stalingrad with an annual capacity of 10,000 wheel tractors, the cost of the works to amount to 23,000,000 gold rubles, the plant to be ready for operation during the fiscal year 1928-29; a car building factory at Nizhni-Tagil in the Ural with an annual capacity of 5,000 cars, the plant together with living quarters for the labor force, to cost 37,000,000 gold rubles; a plant in Sverdlovsk (formerly Ekaterinburg) for the construction of heavy machinery with an annual output capacity of 8,000,000 gold rubles, the entire cost to be 13,000,000 gold rubles; a plant for the manufacture of textile machinery with an annual capacity of 6,000 looms, representing an output value of

5,000,000 gold rubles; a plant costing 5,000,000 gold rubles to be erected in Leningrad to turn out machinery for the printing and allied trades, its annual output to amount to 4,000,000 gold rubles in value; and a tool factory with a yearly output worth 3,000,000 gold rubles, to be established in the central industrial region of the European territory of the Soviet Union.

The erection of the above-mentioned plants will be completed within the course of three years, and when finished they will employ a total of 17,650 workers.

Program of Textile Industry for 1925-26

Marked expansion of the cotton and woolen textile industries of the Soviet Union is expected for the Soviet fiscal year 1925-26, which began October 1, 1925. The output of cotton goods will reach approximately the figure for 1912 and woolen goods will slightly exceed the figure for that year.

The program adopted by the Textile Board of the Central Industrial Department of the Supreme Economic Council provides for an increase of 40 per cent in the production of cotton textiles over the year 1924-25, and about 25 per cent in woollens. During the fiscal year \$54,300,000 will be expended for major construction and equipment in the cotton industry and \$9,700,000 in the wool industry.

The labor force to be employed in the cotton industry during the year will number 333,225, and in the wool industry 51,000, an increase of 17 per cent and 14 per cent respectively over 1924-25.

The textile expansion is accompanied by an announcement of the large increase in domestic production of both cotton and wool this year. On estimates of October 1 the Soviet cotton crop is figured at upwards of 880,000 bales, an increase of 75 per cent over 1924, and the wool supply is estimated at 15,000 metric tons, an increase of 20 per cent. The cotton crop compares favorably with the five-year pre-war average of 953,000 bales.

It is estimated that the textile industry, including private mills and home workers, will require about 1,310,000 bales of cotton, of which about 1,100,000 bales will be used by the trusts operating under the Central Industrial Department. It is inferred from this that Soviet imports of cotton from the United States, which amounted to 245,000 bales for the crop of 1924 will continue.

In the cotton trusts under the Central Industrial Department 5,228,000 spindles will be operated. The output of cotton yarn will be 225,650 tons, of unfinished cotton goods 1,770,000,000 meters, of finished goods, 1,718,188,000 meters.

The Soviet Trusts in the woolen industry will turn out 26,580 tons of woolen yarn, 56,628,000 meters of unfinished goods and 54,598,000 meters of finished goods.

Working of Boxwood in the Soviet Union

The box-tree (*Buxus*), also called the Caucasian palm in Russian, belongs among the rare varieties of wood species. The extraordinary hardness of boxwood makes it an ideal material for weaving shuttles, carved articles, and musical instruments.

Box-tree areas are found in Abkhasia (one of the Soviet Republics in Transcaucasia on the Black Sea), and in Persia. Abkhasian boxwood is considered the best, the Persian variety being inferior to it in quality and in ease of exportation. For these reasons Persian boxwood cannot compete with the Abkhasian sort and sells for only a fraction of the price.

Before the war the exports of Abkhasian boxwood amounted to 2,000 tons a year on the average, going principally to England. At that time it was valued at 1.20 rubles per pood (36 pounds) as standing timber and at 2.20 rubles per pood at the coast, while the price at French ports ranged between 400 and 500 francs per ton. At present the local authorities have fixed the taxation value of boxwood at 1.65 gold rubles per pood as standing timber.

During the course of the next five years, 1926 to 1930 inclusive, it is planned to exploit about 10,000 hectares (24,700 acres) of box-tree forests with an annual output of 700 tons of boxwood. At the present time 350 tons have already been prepared for the requirements of the Soviet textile industry.

In order to provide cheaper weaving shuttles for the textile industry, the Supreme Council of National Economy has decided to begin their manufacture on a large scale in the Soviet Union. In the near future the construction of a special factory will be completed in Abkhasia with a scheduled capacity to turn out 60,000 weaving shuttles from 200 tons of boxwood. The unused balance of the boxwood production will be exported as heretofore.

Iron Ore Resources of U. S. S. R.

DATA collected by the Geological Committee indicate that of the country's numerous iron ore deposits the following are the most important of those located in the European part of the Soviet Union:

1. *Northwestern Region.*—The deposits in the Murmansk area, on the eastern shore of Kola Bay, twenty kilometers north of Cape Pinagorie and along the Litsa River. The iron ore reserves at Cape Pinagorie are placed at 57,000 tons and those along the Litsa River at 500,000 tons. In the Tulomozero deposit in the Olonets district the ore reaches a depth of 100 meters and its total reserves are estimated at over 10,000,000 tons. The Pudozh deposit on the eastern bank of the Lake Onega contains a reserve of magnetite 85 meters

deep with a content of 368,000 tons of various ores. The number of lakes containing ore is exceedingly large. The iron ore reserve in the lakes is estimated at 30,000,000 tons, and the ores are openly located on the bottom of the lakes in a uniform layer from 2 to 12 meters deep.

2. *Central and Western Region.*—The iron ores in the central region cover an area of 307 square miles. The ore reserves are estimated at 491,000,000 tons. The following regions are of the greatest importance: the Tula region with a probable reserve of 50,000,000 tons, the Tashin region with a surveyed reserve of 238,000 tons, the Zhizdra region—between the city of Zhizdra and Sukhinichi—with a probable reserve of 100,000,000 tons, the Lipets region on the right bank of the Voronezh River near the city of Lipetsk with an actual reserve of 16,000,000 tons and a possible reserve of 65,200,000 tons.

3. *Vetluga-Vyatka Region.*—The ore-bearing region is divided into three zones: the Kholunetsk-Omutninsk, Upper Kama-Zusdinsk, and Kobrin-Kazhimsk. The probable reserves of the first zone are 85,000,000 tons, of the second 70,000,000 tons, and of the third 60,000,000 tons.

4. *Ural.*—On Blagodot Mountain, near Kushma Station, there are reserves of magnetite. The possible reserves of sulfurous iron ores constitute 82,000,000 tons. In the bowels of Magnitnaya Mountain at a distance of eight kilometers from Magnitnaya Station there are deposits of magnetite, partly martite, which at a deeper level becomes sulphurous. The probable reserves of sulphurous ores constitute 98,000,000 tons. Vysokaya Mountain, near Nizhni-Tagil Station, contains magnetite with a probable reserve of 40,950,000 tons. In the Alapayevsk region, near the Alapayevsk plant, there is bog ore with a possible reserve of 99,835,000 tons. The Sinarsk deposit, to the south of the Kamensky plant, has a possible reserve of ore amounting to 16,500,000 tons. The Bakalsk deposit in the southern Ural contains bog ore with a surveyed reserve of 33,000,000 tons. The Komarovsk-Zigazin region south of the Bakalsk deposits contains bog ore with a probable reserve of 17,000,000 tons. The Kutin deposit is situated on the left bank of the Kutima River and contains pure iron-glance with a theoretical iron content of 69.79 per cent. The visible ore reserves are estimated at 491,000 tons.

5. *Southern Mining Region.*—In the Krivoy Rog region, as well as along the Zholtaya River, there are deposits of hematite with a possible reserve of 524,180,000 tons. The Kerch region contains bog ore with a possible reserve of 2,550,000,000 tons.

6. *Northern Caucasus.*—The Maly-Bambaysk region, 85 kilometers from Labinskaya Station, contains bog ore and hematite with a possible reserve of 75,000,000 tons of ore.

The following are the rich iron ore regions in the Asiatic part of the Soviet Union:

1. *Kuznets-Altai Region*.—The Telbes deposit along the Kondoma River, 54 kilometers from the city of Kuznetsk contains magnetite at a depth of 30 meters with a probable reserve of 15,580,000 tons. The Abakan deposit on the left bank of the Abakan River, contains a bed of magnetite 20 meters deep with possible reserves of 295,000,000 tons. The Irdzhin deposits on the right bank of the Yenisei River contain high-grade iron ore with surveyed reserves of 250,000 tons. The Irben deposit on the left bank of the Irba river contains magnetite. The probable reserve is 57,330,000 tons.

2. *Lena-Baikal Region*.—The deposit of the Nikolayev iron works contains reserves of magnetite amounting probably to 4,900,000 tons. The Balagansk deposit along the upper reaches of the Balaga River contains magnetite with a possible reserve of 1,800,000 tons.

3. *Far-Eastern Region*.—The Olga district, 267 kilometers from Vladivostok, contains magnetite with a small admixture of lead-glance, mock lead and sulphur pyrites. The ore reserve is estimated at 800,000 tons.

The Nikolayevsk deposit on the Amur River contains bog ore with a reserve of 800,000 tons. At Sergeevsk, not far from Khorpatovo Station, there are magnetite deposits, the surveyed part of which contains 245,000 tons. The Little Khingan deposits between the Amur River and the Amur Railroad contain hematite with a reserve of 2,500,000 tons. The Stolbov deposit contains hematite and bog ore. The reserves are estimated at 2,450,000 tons.

The above list does not include the Kursk iron ore deposit, recently located in Central Russia. The reserves of the Shchigrovsk district in this area may be placed at over 1,100,000,000 metric tons for the deposits already located.

Concessions—Old and New

BY September 1, 1925 the Chief Concessions Committee had over two hundred propositions under consideration. Two hundred concession applications were approved. Of these 105 covered concession agreements, 78 licenses to begin production, and 17 sets of by-laws.

The following firms have been granted concessions over enterprises formerly owned by them: "Russangloles" (Anglo-Russian Timber Company), "Russhollandoles" (Russo-Dutch Timber Company), "Russsnorwegoles" (Norwegian-Russian Timber Company), the S. K. F. Company (Joint-Stock Company of Swedish Ball Bearing Factories), Raabe, Berger & Wirth, Reisner, Borunsky, "Gas-Accumulator," Alftan, Briner, and the Ayan Corporation.

In addition to this, the following organizations obtained a renewal of part of their former concessions: Lena Goldfields, Great Northern Telegraph Company, and Indo-European Telegraph Company.

An obligatory condition of the award of concessions to former owners of enterprises on the territory of the Soviet Union is their renunciation of previous claims.

New Gold Mining Concession

The Federal Council of People's Commissars recently confirmed the concession agreement made by the Chief Concessions Committee with a Japanese subject, Iotaro Tanaka, covering the latter's right to extract gold from the Lidinsk deposit covering an area of 25 hectares, located in the Kukhtuya River basin, Okhotsk County, Kamchatka Province.

The agreement is made for a period extending up to the exhaustion of the mine, but not longer than ten years.

The concessionary undertakes to begin the equipment of the mine as soon as it is turned over to him.

With a view to the suitable organization of mining operations the concessionary will have the privilege of importing free of duty and license fees during the first two years all the machinery, parts and technical articles required to equip and supply the enterprise.

For the purpose of supplying the workers and clerks of the enterprise the concessionary has the right to import staples and provisions not barred from the Soviet Union upon payment of the regular duties.

The agreement stipulates a fixed productive program, in which connection the concessionary is bound to work the mine by improved machine methods and to conduct operations with due regard for the fact that he is charged with the responsibility of safeguarding the deposit to the utmost possible extent.

In return for the concession granted him the concessionary is to pay the Government a pro-rata share and a fixed charge per hectare.

In addition to this, the concessionary must pay 5 per cent of the actual gross output of gold to cover all Federal and local taxes and duties, and he is also to pay the license tax, as well as all stamp and registration taxes.

The concessionary must send his entire gold output to the Government Assay Laboratories for analysis and melting, and the Government has the option of purchasing all the gold produced and acquired by the concessionary within the area of his concession, advance notice of the intention to exercise this option being due not later than March 31 of each fiscal year.

Heater and Drier Manufacturing Concession

During the month of September the Federal Council of People's Commissars approved a concession agreement whereby two German subjects, Herman and Franz Bruck, receive the right to manufacture and sell heaters with the necessary attachments, and drying apparatus with accessories. The repaired machine and zinc and tin shop formerly belonging to the firm of Cherepov and Hansen in the city of Moscow will be placed at the disposal of the concessionaries.

The concessionaries undertake to expend not less than 150,000 gold rubles on the equipment of the above-mentioned plant during the course of the next two building seasons, so that, beginning with the third year, the factory will be in a position to fulfill an annual production program including 2,400 heaters, 4,000 apparatus with accessories, and not less than 200 drying appliances.

Upon expiration of the concession term the entire enterprise, in going condition and clear of all indebtedness, is to revert to the Government without compensation. The concession term was fixed at twenty years.

Concessions in the Far-Eastern Region

The Far-Eastern Concessions Committee has recently received a number of applications from representatives of American, French, German, Belgian, and Japanese industrial firms for mining concessions in the Far-Eastern Region. Requests for timber concessions have also been submitted by Japanese firms.

Cooperatives in the Soviet Union

THE year 1925 has constituted a turning point in the development of the agricultural cooperative movement in the Soviet Union. It received its pivotal character, on the one hand, from the country's general economic advance and, on the other hand, from the new course adopted with respect to agricultural cooperatives. The consolidation of the fundamental principles of voluntary adhesion, of elective methods of control in the cooperative movement as well as the economic advantages offered, aroused the confidence and interest of the peasants in agricultural cooperation. Finally, during the first nine months of the fiscal year 1924-25 the agricultural cooperatives succeeded for the first time in obtaining considerable material support through the system of agricultural credits, which provided about 200,000,000 gold rubles during the period in question. The quantitative and qualitative growth of the agricultural cooperatives is to be explained as a result of these measures. Between July 1, 1924 and July 1, 1925 the system of agricultural cooperatives showed the following expansion for the entire Soviet Union, exclusive of the Ukraine:

Agricultural Cooperatives and Membership in the Soviet Union (exclusive of the Ukraine)

Date	Number of Cooperative Federations	Number of Individual Cooperative Societies	Total Membership (Number of Farms)
July 1, 1924....	322	25,000	1,736,200
July 1, 1925....	350	29,000	3,890,000

As these figures reveal, the membership of the agricultural cooperatives has more than doubled during a single year. The inclusion of the Ukrainian agricultural cooperatives brings the aggregate membership on July 1, 1925 up to 5,000,000. The increase of membership has occurred mainly through the expansion of existing cooperative organizations. An analysis of the system of agricultural cooperatives shows that there have been qualitative changes, as well as quantitative growth. For instance, of the 320 cooperative federations in existence on July 1, 1924, there were not more than 30 special bodies, such as unions of dairy cooperatives, tobacco growing cooperatives, etc., whereas 90 of the 350 agricultural cooperative federations existing on July 1, 1925 were of this special character. This fact bears witness to the specialization and extension of the productive role played by the agricultural cooperatives.

The primary agricultural cooperatives show qualitative changes of an equally positive kind. The two fundamental facts that attract attention in this case are the increase of the number of agricultural credit societies from 7,200 on July 1, 1924 up to approximately 12,000 on July 1, 1925 and the growth of the collective enterprises connected with the transition of peasant farming to a machinery basis (the agricultural machinery societies, "artels" and other cooperative bodies of a like character) numbering 6,000 on July 1, 1925, as against 5,200 a year before. The collective organizations here in question are exclusively those belonging to the unions of agricultural cooperatives. It may be said that collective farming in the Soviet Union was placed on a firm machinery basis for the first time during the year 1924-25. This development is confirmed by the more active demand noticeable in 1924-25 for tractors and other large agricultural machines employed principally on collective peasant farms.

The agricultural cooperatives have also made considerable progress in trading activity, as indicated by the fact that their business turnover for the first six months of the calendar year 1925 amounted to 560,000,000 gold rubles, which constitutes 90.5 per cent of the total turnover for the full calendar year 1924, these figures being for the entire Soviet Union, exclusive of the Ukraine. In this connection it is important to note that the agricultural cooperative organizations in closest contact with the rural localities have shown the most rapid growth. The average balance sheet total of the primary agricultural cooperatives increased by 148.3 per cent (from 12,000 gold rubles

up to 29,800 gold rubles) between July 1, 1924 and July 1, 1925.

The agricultural cooperatives have likewise made substantial progress in the accumulation of their own capital. Between July 1, 1924 and July 1, 1925 the own capital of the federations of local agricultural cooperatives increased from 18,000,000 gold rubles to 28,000,000 gold rubles, a rise of 55.5 per cent in one year. The primary agricultural cooperatives enlarged their own capital in about the same proportion. With respect to the problem of mobilizing the resources of the rural population through the cooperatives, it is worth noting the increasing importance of the credits in kind granted to the agricultural cooperatives by the peasants themselves. There are already not a few unions of agricultural cooperatives that conduct their operations wholly or partly on the basis of such credits.

The agricultural cooperatives are playing a steadily increasing role in the industrialization of peasant economy. In July, 1925 the system of agricultural cooperatives embraced tens of thousands of farming and producing enterprises, such as butter dairies, potato grinding plants, etc.

Foreign Trade Activities of "Centrosoyuz"

A recent report on the operations of the "Centrosoyuz" (Central Union of Consumers' Cooperatives) during the past fiscal year 1924-25 points out that the organization's export business declined, while its import activities underwent a considerable expansion. The decrease of exports during the expired fiscal period was recorded chiefly in grain products, butter, and raw materials. Eggs, killed fowl, flax, and tow were the only items to show higher export totals. In comparison with the preceding fiscal year 1923-24 the export trade of the "Centrosoyuz" declined 38.4 per cent. Its import operations for the same period rose 82 per cent. The organization's total foreign trade turnover for the first three quarters of 1924-25 was 49,000,000 gold rubles, which constitutes 6.2 per cent of the aggregate foreign trade for the entire Soviet Union during these nine months. The "Centrosoyuz" had a considerable share (about 20 per cent) in the total Soviet exports of certain raw materials, textile fibers, and furs.

With reference to the financial situation of the "Centrosoyuz," the report states that the organization's own resources amount to 32,131,000 gold rubles, of which sum 19,300,000 gold rubles is in the form of circulating trade capital, while the remainder consists of property, shares and stock of various organizations. The share capital had reached 4,388,000 gold rubles on June 1, 1925, having increased 83.6 per cent over the figure for October 1, 1924.

The aggregate credits received by the "Centrosoyuz" reached a total of 46,000,000 gold rubles

on August 1, 1925. During the fiscal year 1924-25 the "Centrosoyuz" attracted a considerable amount of foreign capital into its turnover.

Soviet Handicraft Cooperatives in 1924-25

Before the war the cooperative societies of handicraft workers (independent producers engaged in home industries), who number several millions, developed very slowly. In 1915 there were throughout Russia 486 separate "artels" altogether, embracing a very small percentage of the handicraft workers. After the November Revolution a turning point came in the fate of the handicraft cooperative movement. Thus, there were 780 handicraft artels on January 1, 1919; 1,722 on January 1, 1920; and 4,257 on January 1, 1921. The following figures illustrate the recent development of the handicraft cooperatives:

Number of Members, "Artels" and Federations

Date	Number of Federations of "Artels"	Number of Artels	Membership Total
Jan. 1, 1924....	271	7,500	300,000
Jan. 1, 1925....	259	11,000	400,000
Apr. 1, 1925....	263	11,500	450,000

Accordingly, between January 1, 1924 and April 1, 1925 the number of artels increased by 4,000 or 53.3 per cent and their aggregate membership by 150,000 or 50 per cent. The process of strengthening the federations of "artels" led to a decrease in their number. The next table gives the business turnover of the handicraft cooperatives for the first nine months of 1924 and the first half of the fiscal year 1924-25:

Business Turnover in 1924 and 1925

Period	Total Turnover Gold Rubles	Part Done by Federations of "Artels" Gold Rubles	Part Done by Individual "Artels" Gold Rubles
First 9 Months of 1924	196,000,000	47,000,000	140,000,000
First Half of 1924-25 (Oct.-Apr.)	273,200,000	65,000,000	200,000,000

As is evident, the business turnover of the handicraft cooperatives for the first half of the fiscal year 1924-25 was 77,200,000 gold rubles, or 39.4 per cent, larger than the turnover for the first nine months of the calendar year 1924. The share of the federations of artels increased 38.3 per cent, while that of the primary or individual artels increased 43 per cent.

The Russian Information Bureau has received a number of copies of the Official Report of the British Trades Union Delegation to Russia

Soviet Finances

IN a statement to the press early in October Mr. G. Y. Sokolnikov, People's Commissar for Finances of the Soviet Union, declared that the Commissariat for Finances was completing the elaboration of the Federal budget for the fiscal year 1925-26. The Soviet Federal budget embraces the budgets of the Constituent Republics, the budgets of the People's Commissariats which are not included in the budgets of the Constituent Republics, and, finally, the extraordinary appropriations designed to promote various branches of national economy, such as agriculture, industry, electrification, cooperation, municipal administration, housing construction, and so forth. After examination by the People's Commissariat for Finances the tentative budget was to be submitted, with the assent of the State Planning Commission, to the Council of Labor and Defense and the Council of People's Commissars around November 1. Later on the budget will go to a session of the Central Executive Commission for consideration. Back in the summer of the current calendar year the sum total of the budget for the fiscal year 1925-26 was set at 3,560,000,000 gold rubles in a preliminary budget summary submitted by the People's Commissariat for Finances to the Council of People's Commissars.

The aggregate sum of the local budgets for the fiscal year 1925-26 in the Soviet Union lies between 1,250,000,000 and 1,300,000,000 gold rubles. This total covers all local budgets, including the township budgets. According to the tentative figures the grand total of revenues and disbursements in the Federal budget and all the local budgets for the fiscal year 1925-26 is therefore about 5,000,000,000 gold rubles, which constitutes an increase of approximately 40 per cent over the corresponding total for the fiscal year 1924-25. Of course, notwithstanding this very considerable increase, neither the Federal nor the local budgets will be able to satisfy in full all the gigantic demands that will be made upon them. One must accordingly be prepared in advance for the impossibility of giving 100 per cent satisfaction to all the requirements brought forth by the general progress of the country, however justifiable and legitimate these demands may be; but a long stride forward will undoubtedly be taken in numerous branches of the country's economic life during the fiscal year 1925-26.

Foreign Credits

With respect to foreign credits, an important success has recently been achieved. The State Bank has concluded an agreement with a group of large German banks whereby it will obtain credits amounting to 75,000,000 marks. These bank credits, combined with commercial credits,

will render it possible to effect merchandise purchases on credit, for a total amount of 100,000,000 gold marks, the purchases to be made in Germany. This agreement is the first of a series of extensive credit arrangements which it will be the systematic policy of the State Bank to make with foreign banks. The arrangement with the German banks demonstrates that the Soviet Union's credit abroad has risen considerably, and it points particularly to the prestige acquired on the foreign market by the State Bank of the Soviet Union.

The credit in question is not a long-term one and is extended for only a few months. It will be the task of the future to obtain longer credits also. The importance of the credit agreement with the German banks rests in the fact that it enables the Soviet Union to proceed immediately to the importation of foreign goods intended both for the further development of industry and agriculture, and for the staple consumption market, without putting off these purchases until the time when the Soviet Union will have ready cash at its disposal as a result of export operations. The credit received by the State Bank gives the country's economy a start of several months and the opportunity of speeding up and extending merchandise imports.

Soviet-American Trade

THE Telegraph Agency of the Soviet Union reports that between October 1, 1924, and June 30, 1925, which constituted the first three quarters of the expired Soviet fiscal year 1924-25, the turnover of trade between the Soviet Union and the United States amounted to \$66,600,000, as against \$50,800,000 for the corresponding period of the previous fiscal year. Soviet exports to the United States totaled \$11,800,000* and imports from the United States \$54,800,000** as compared with \$9,300,000 and \$41,500,000 respectively for the preceding year.

The leading item in the list of Soviet exports to America was furs, of which the United States took \$10,000,000 worth. Other principal commodity exports from the Soviet Union to the United States were casings—\$735,000; licorice root—\$250,000; and bristles—\$135,000.

The increase in the imports from the United States is partly due to flour purchases amounting to \$20,500,000, flour being, however, an unusual item in the Soviet Union's import trade. Soviet cotton imports from the United States aggregated \$25,800,000 during the period in question.

*Of these \$9,222,000 worth of goods were sold in the United States by October 1, 1925.

**The amount of the goods purchased for import into the U.S.S.R. was \$58,678,000.

American agricultural machinery to the value of \$4,700,000 was imported into the Soviet Union, as against \$1,600,000 worth the previous year. In addition to this farming machinery, 8,300 Fordson tractors, constituting 10 per cent of the Ford tractor output, and several hundred tractors of other makes were imported from America.

During the three quarters of the fiscal year 1924-25 under review there was also a considerable increase in Soviet imports of American mechanical factory equipment and technical materials, which amounted to \$6,700,000, as compared with \$1,500,000 for the same period of 1923-24.

On the average American banks and business firms extended credits to cover 70 per cent of the amount of Soviet import and export transactions with the United States.

Soviet Purchases of American Sheep

Some months ago two representatives of the Soviet Commissariat for Agriculture, Mr. M. S. Pereferkovich and Prof. Michael Ivanov, visited the United States for the purpose of purchasing pure bred sheep for the Soviet Union through the agency of the Amtorg Trading Corporation of New York.

Mr. Pereferkovich, who is head of the live-stock department of the Commissariat for Agriculture in Moscow, and Prof. Ivanov of the Timiriazev Academy of Agriculture in Moscow selected about 3,000 pure bred sheep of the Rambouillet type, which were subsequently purchased by the Amtorg Trading Corporation. The first shipment, comprising over 1,200 head, left New York on October 24. The second shipment, including the balance of the sheep, was scheduled to leave New York on November 5 for the Black Sea port of Novorossiysk. The two shipments are valued at about \$250,000.

It was explained by Mr. Pereferkovich that these purchases are only the initial step in an extensive program drawn up by the Soviet Commissariat for Agriculture for the improvement of sheep breeds in the steppe and mountain regions of the Caucasus, Turkestan and Siberia with the object of producing sufficient raw material for the country's expanding woolen industry, which is now compelled to import large quantities of wool. According to Mr. Pereferkovich large additional purchases of fine wool sheep will have to be made for some years to come before the Soviet Union will produce enough wool to satisfy the needs of its industry.

During their stay in this country Mr. Pereferkovich and Prof. Ivanov visited a number of agricultural colleges, experimental stations, breeding ranches, large industrially operated farms, stockyards, packing plants, veterinary laboratories, model dairies and other establishments in order to study advanced American methods of agriculture which might be introduced to advantage in

the Soviet Union. They also took back with them samples of various American agricultural products, as well as of some of the machinery used here.

Jewish Population in U.S.S.R.

ACCORDING to statistics published in July, 1925, there are 2,800,000 Jews living in the Soviet Union, as compared with a Jewish population of 5,000,000 in the former Russian Empire at the end of the nineteenth century. The decrease of 2,200,000, or almost half, in the number of Jews is explained by the separation of Poland, Lithuania and other territory where a considerable part of the Jewish population lived, and also by the numerous pogroms of the various counter-revolutionary armies and bands in White Russia and the Ukraine during the years of civil war. At present the Jews in the Soviet Union make up 2 per cent of the country's total population.

The Soviet census of 1923 showed the following distribution of the Jews amongst the Constituent Republics:

	Number of Jews	Percentage of Total Number
Ukrainian Soviet Republic..	1,700,000	60.7
R.S.F.S.R. (Soviet Russia proper)	600,000	21.4
White Russian Soviet Republic	450,000	16.1
Transcaucasian Soviet Federation	50,000	1.8
Total.....	2,800,000	100.0

According to the data of the same census 90 per cent of the Jewish population lives in cities. The Jews have 300,000 members in the trade unions, this figure constituting over 10 per cent of the Jewish population and 5 per cent of the total membership of the Soviet trade unions. In quite a few unions the percentage of Jews is considerably above the general average of 5 per cent, as the following cases illustrate:

Trade Union	Percentage of Jews in Total Membership
Needle-Workers	84
Leather-Workers	39
Art Workers	39
Food Workers	35
Soviet Employes	28

Together with their families the Jewish trade union members make up a group of about 850,000 persons.

Jewish agriculture in Russia began in the year 1804. In 1917 there were about 50,000 Jews engaged in agriculture on the present territory of the Soviet Union. By the opening of 1925 this number had reached 100,000 and by July of the same year it had increased to 130,000. Thus, during the first seven years following the Revolution as many Jews went over to agriculture as during the whole preceding century.

In addition to being represented among the farmers, workers and clerks, a good many Jews are home-craft workers and artisans. To judge by pre-war ratios, deduction made of the farmers, workers and clerks, up to 50 per cent of the remainder of the Jews are engaged in home-craft and artisan trades. The Jewish population of the Soviet Union may accordingly be divided into the following occupational groups:

Class	Number
Clerks and Workers.....	850,000
Farmers	130,000
Home-craft Workers and Artisans.....	905,000
Tradesmen and Persons without Definite Occupations	915,000
Total.....	2,800,000

The small tradesmen and the artisans who are unable to adapt themselves to the new conditions constitute the main body of those Jews who are turning to agriculture. In August, 1924, a special committee for settling the Jews on the land ("Komzet") was established in connection with the Presidium of the Council of Nationalities. This committee drafted a program for the transfer of about 100,000 Jewish families to agricultural occupations during the forthcoming years. The plan drawn up by the "Komzet" provides for the collaboration and assistance of public organizations, as well as for support by the Government through allotments of land and special credits.

Rapid Growth of Moscow

THE first years after the inauguration of the new economic policy were marked by an exceedingly rapid growth of Moscow's population. The persons who had quit the city during the food crisis experienced at the time of the civil war, returned. During the three years intervening between the census reports of 1920 and 1923 the population of Moscow increased by 516,000, only a few thousands of which can be attributed to the natural increase of population.

In 1924 the city's population forged ahead at a swift pace. The influx of population must be reckoned at 200,000 in round figures, this total including not only former inhabitants who were coming back, but also new groups, such as workers attracted from the rural districts, and a large number of members of the former lower middle class as well as intellectuals from the provincial cities.

During the fiscal year 1924-25 the increase of Moscow's population became much more modest. The sanitary survey of the Capital carried out in the summer of 1925 showed that between July 15, 1924 and June 15, 1925 the number of inhabitants augmented only 90,000, a considerable part of this rise being due to natural increase. The annual excess of births over deaths for the past two years amounts to 25,000. The accretion of popu-

lation during the past year is accordingly not more than 60,000, which is only one third of the number annually added during the immediately preceding years.

The curtailment of influx of population means Moscow's return to normal conditions of development. At present the yearly increase of population does not exceed 5 per cent, which is the rate that prevailed during the years preceding the Revolution. The severe housing crisis has undoubtedly been a restricting factor in this regard. According to the data compiled by the sanitary survey, Moscow had 1,845,000 inhabitants on June 15, 1925. The exact figure will not be available until the census that is expected to be taken toward the close of November and the early part of December, 1926. During the next few years the population of Moscow is expected to increase from 90,000 to 100,000 annually.

The Moscow birth and death rates may be considered close to normal. During the three years 1923 to 1925 the birth rate has hovered around 30 per 1,000, while it was 32 per 1,000 just before the war. The city's death rate touched its minimum in 1923 with 14 per 1,000. In 1924 it rose to 15.5 per 1,000 and has remained at that level up to the present moment. Moscow's death rate before the war was 23 per 1,000, or 50 per cent higher than the present rate.

The unusually high marriage rate is noteworthy. During the past three years the annual average has been 15 marriages per 1,000 of population, an increase of two and a half times as compared with the pre-war rate of 6 per 1,000.

The data covering the occupational distribution of Moscow's population will not be available until the next census in 1926.

With regard to the number of Government employes in Moscow, Federal and municipal records show that there were 275,000 persons on the rolls on July 1, 1925. This total also includes the employes of trade union and cooperative organizations and likewise of joint-stock companies in which State capital participates. The census figures taken on March 15, 1923 gave the number of such employes in Moscow as 231,000. Accordingly, there has been an increase of 44,000, or 11 per cent. The additions consist chiefly of clerks of joint-stock companies, syndicates and trusts, of the personnel ministering to the cultural needs of the population (instructors and teachers of all grades), and of employes of State and cooperative trading organizations.

There is no accurate report on the number of employes in private trading and industrial enterprises. However, judging by the data contained in the census record of 1923 and the licensing data of the People's Commissariat for Finances, the number of persons in private employ in the city of Moscow does not exceed 35,000. Private trading, industrial, and transportation enterprises are included under this category. Data soon to

be published will reveal whether or not the number of private employes is increasing. It may safely be stated now, however, that their total is growing slowly, if at all.

The following figures illustrate the changes in the number of factories and mill workers, in Moscow City and Province during recent years. In 1921 the total labor force employed in large-scale industry in this district touched its minimum of 201,000. In 1922 it increased to 250,000. On June 1, 1925 it had risen to 340,000. Of this number 150,000 are employed at present within the limits of the city of Moscow, as against 82,000 in 1921.

The home-craft ("kustar") industry of Moscow Province has also undergone a rapid expansion. Toward the beginning of 1924 there were 38,000 home-craft workers in the province, exclusive of Moscow City, as against 125,000 in 1900, the last

year in which a previous census of "kustar" artisans was taken.

The special census of home-craft workers completed a short time ago showed that on September 1, 1925 the total for Moscow Province exclusive of Moscow City had reached 73,000. It had therefore just about doubled in the course of one year. Including the artisans in the city of Moscow, the grand total for the province of Moscow becomes 110,000.

In summing up the results of the "kustar" census it must be observed that the number of enterprises falls but little short of the number of workers. The entire industry is made up of small independent shops run by one man with the assistance of his family. Hired labor is met with only as a rare exception. The 50,136 enterprises registered in the census of September 1 have a total of 72,086 workers, i.e., 1.4 workers per enterprise.

Foreign Relations of the Soviet Union

AROUND the middle of October Mr. B. E. Stein, a member of the Soviet Delegation that negotiated the German-Soviet treaty, gave the following statement to the press concerning the contents of the new Soviet-German agreement:

The treaty is the result of negotiations through a period of eleven and a half months. The negotiations were prolonged by the complexity of the problems to be considered and the broad scope of the treaty. However, the contents of the treaty fully justify these long discussions. Its provisions touch the most diverse phases of the national economic life of the two countries, so that the customary term "commercial" does not adequately describe its comprehensive character. It is considerably wider than a usual trade agreement. The document just signed consists of the following parts:

(1) General principles; (2) agreement regarding the rights of nationals; (3) economic agreement; (4) railroad agreement; (5) agreement regarding merchant marine navigation; (6) taxation agreement; (7) agreement regarding commercial arbitration courts; and (8) agreement regarding the protection of industrial property.

In addition to the foregoing, two conventions—a consular convention and a convention concerning legal assistance were concluded simultaneously with the agreement.

The preceding enumeration alone is sufficient to indicate the extensive nature of the contents of the agreement.

As is well known, relations between Germany and the Soviet Union have heretofore been regulated in accordance with two documents—the temporary agreement of May 6, 1921, on the one hand, and the Rapallo Treaty of April 16, 1922, on the other. With regard to the agreement of

May 6, 1921, being a semi-political and semi-commercial document of the epoch of the so-called *de facto* recognitions, it had lost its significance to a considerable degree. Its political part was covered by the Rapallo Treaty, while its commercial portion had been rendered out-of-date by the four years elapsed since its signature. The Rapallo Treaty foresaw the future conclusion of a comprehensive economic agreement and laid down the basic principles of this future agreement. The present agreement constitutes a realization of the principles of the Rapallo Treaty in the economic field. The text refers directly to a number of clauses in the Rapallo Treaty, thereby connecting the two documents.

The general provisions of the present agreement are founded upon the principle of the most-favored-nation treatment already enunciated in Article 4 of the Rapallo Treaty. In the case of Germany those privileges which she has been forced to accord to the Entente nations under the Versailles Treaty are excepted from the most-favored-nation treatment. In the case of the Soviet Union exception is made of the privileges granted to the western borderlands and to the Eastern nations bordering with the U.S.S.R.

The agreement regarding the rights of nationals of the other party is based upon the broad principle of the most favored nation treatment on the one hand, and upon granting them the same rights as to the natives, on the other. The agreement regulates questions of entry and exit, establishes the procedure concerning mutual procurement of visas, engaging in various occupations, in business and in the mechanical trades, general legal protection, and the juridical capacity of corporate persons of every category.

The economic agreement regulates the rights of the Soviet Trade Delegation in Germany. In contradistinction to the procedure established in the protocol of July 29, 1924, which settled the regrettable controversy provoked by the invasion of the Trade Delegation's premises by the German police on May 3, 1924, and which divided the Trade Delegation into an extraterritorial and non-extraterritorial part, the present agreement stipulates the complete extraterritoriality of the Soviet Trade Delegation. A number of clauses govern matters of export and import trade on the basis of the most-favored-nation treatment. A system for the application of consignment contracts is established. Special regulations are made with regard to the importation of live-stock and animal products from the Soviet Union into Germany.

The railroad agreement regulates general transportation problems with due regard for the existence of a number of agreements between the railroads of the two countries.

The commercial navigation agreement is, in general, based upon the principle of the equalization (with a number of exceptions, of course) of the marine transportation rights of the other party with those of native transportation. The agreement relating to taxation is founded upon the same principle.

This treaty with its manifold provisions naturally possesses enormous importance for the regulation of the economic relations between the two countries. The previous history of relations between the two nations furnishes no example of such a simultaneous regulation of the entire complex of economic and legal relations. Since the time that the Rapallo Treaty was signed the economic interrelations of the two countries have extended and strengthened. The commercial treaty between the Soviet Union and Germany aims not only to reach the pre-war level of economic relations between them, but also to surpass it. All this furnishes ground for the hope that the algebraic formulas of the new treaty will soon be filled in with the living substance of actualities.

Soviet-German Railroad Conference

On October 7 the Soviet Railway Delegation returned to Moscow after having participated in the work of the Soviet-Lithuanian-Latvian-Esthonian-German Railroad Conference for the establishment of through rail traffic between the Soviet Union and Germany via Lithuania, Latvia, and Esthonia.

The Chairman of the Soviet Delegation stated to the press that the conference had been successful in accomplishing its object. It had rendered it feasible to forward freight abroad from any station in the Soviet Union via the Soviet-German route without any reloading, and also to send freight from the Soviet Union via this line to any point in Western Europe. An agreement was

reached regarding the through routing of tank cars, refrigerated cars, and other specially equipped freight cars without reloading. New reduced rates were established for shipments forwarded via the Soviet-Lithuanian-German route.

Through railway freight traffic between the Soviet Union and Germany has already been opened and has yielded splendid results. Thus, during the early days of October from ten to fifteen carloads of through freight from various points in the Soviet Union were reported to be arriving at Koenigsberg every 24 hours, cars originating from Sverdlovsk (formerly Ekaterinburg) making the trip in 13 days, those from Mariupol in 17 days, etc.

Soviet-Polish Railroad Conference

The Soviet-Polish Railroad Conference, which opened in Moscow on September 15, terminated its work on October 8.

The Conference rescinded a number of restrictions growing out of the convention concluded between the Soviet Union and Poland on May 21, 1925. Thus, it was decided to grant freight shippers the choice of paying the charges for the entire trip over Soviet and Polish roads either upon shipment or upon receipt of the goods. The owners of freight were also accorded the right to make disposition of their cargo en route, even though it is already beyond their national border.

A number of questions were also settled with respect to Soviet export and import cargoes, especially perishable goods. The periods of fast freight and slow freight deliveries were agreed upon; a method of settling mutual claims between the railroads of the two countries was established, and a system for the mutual transfer of cars at border points was likewise instituted.

In addition to this, the Conference reached an agreement on the questions of through freight shipments and transit passenger traffic via Poland. Both of these questions will be worked out in detail at a special meeting of representatives of the Soviet Union and Poland. It is proposed to call this meeting in the near future.

The Soviet Union and the League of Nations

Around the middle of October Mr. Tchitcherin, People's Commissar for Foreign Affairs, issued the following written declaration with reference to the statement made at Locarno by Mr. Chamberlain, British Foreign Secretary, to the effect that the urgent need of credits would sooner or later force the Soviet Union to a rapprochement with the League of Nations:

"Mr. Chamberlain's statement regarding the Soviet Union, and likewise various other allusions to the same question, concern two distinct possibilities: on the one hand, the sending of a Soviet 'observer' to the League of Nations, and, on the other hand, the entrance of the Soviet Union into

the League of Nations as a member. With respect to the first possibility, during past years the Soviet Government has declared repeatedly in an official manner that there are no obstacles in the way of sending an observer to the League. The reason why the Soviet Government is prepared, on the one hand, to send an observer to the League under definite conditions and is, on the other hand, firmly determined not to enter the League of Nations under any circumstances, resides in the fact that the sending of an observer possesses merely informative significance, not binding upon the Soviet Union and not obligating it to submit to the decisions of the League majority."

New Soviet Trade Delegate to Persia

Mr. B. I. Goldberg was appointed Soviet Trade Representative to Persia by the Council of People's Commissars during the month of September.

Soviet Trade Representative in Mongolia

On August 11, 1925 the Council of People's Commissars decided to relieve Mr. Alexey Nikolayevich Vassiliev from his post of Soviet Trade Representative in Mongolia and to name Mr. Pyotr Mikhailovich Nikiforov in his stead.

Mikhail Frunze

IN THE death of Mikhail Frunze on October 31 the Soviet Union suffered a grievous loss, all the more deplorable because the distinguished revolutionary leader was in the prime of life.

Mikhail Frunze came of peasant stock. His mother belonged to a Russian peasant family in Voronezh Province and his father to a peasant family of Rumanian origin that had settled in Odessa Province. Mikhail was born in 1885 in the town of Pishpek, Turkestan, where his father had established his residence after having spent his period of military service in that territory. The boy received his early education in the local municipal school and then attended the high school in the city of Vyerny, now called Almata, where he was graduated with honors in 1901. His father's death some years before this had rendered the material situation of the family very difficult and Mikhail, then twelve years of age, had to earn a living for himself and the family by giving lessons.

Frunze's participation in the revolutionary movement began with his entry into the Petersburg Polytechnical Institute in 1904. His "baptism of fire" occurred during the November demonstration in St. Petersburg, when he was arrested and subsequently banished from the city.

During the 1905 Revolution he was active first in Moscow and then at the Ivanovo-Voznesensk Works in Vladimir Province. He also took part in the December uprising at Moscow in 1905.

Arrested during the year 1907, he was sentenced to a long term in prison.

In 1915 he was released from jail and banished to Northern Siberia, but was soon arrested again for forming an organization of fellow-exiles. This time he escaped from prison and from the close of 1915 lived as a fugitive from the law in the city of Chita in Eastern Siberia, where he helped to edit a revolutionary weekly called "The Eastern Review."

Upon being discovered by the police, he fled to European Russia, where he secured employment with a public organization under a fictitious name and worked at the Front right up to the Revolution of 1917. Even before the Revolution Frunze was active in the creation of revolutionary organizations in the Russian army. After the Revolution he became one of the leaders of the revolutionary movement in White Russia and on the German-Austrian front.

At the time of the Kornilov attempt Frunze was chief of staff of the revolutionary forces in the Minsk region. His significant military activity, however, did not begin until after the November Revolution in 1917.

In the thick of Kolchak's onslaught in 1919 Frunze was entrusted with the command of the four Soviet armies constituting the southern group on the Eastern Front. Under his personal leadership this army group dealt the Kolchak forces the first decisive blow, which turned out to be the turning point in the progress of military operations on this front.

When the Soviet forces moved forward in the Ural area, the Eastern Front was divided into two sectors: Siberia and Turkestan. Frunze was placed in command of the operations in Turkestan and he soon cleared the country of White Guards.

In August, 1920, when the Wrangel threat was looming in Southern Russia and in the Crimea, Frunze was appointed commander of the Southern Front. During the ensuing campaign the Whites were rapidly and decisively routed from their last foothold in this territory. For these and previous military services Frunze was awarded a number of decorations.

After the liquidation of the Wrangel adventure Frunze was named Commander of the armies in the Ukraine and in the Crimea and Plenipotentiary Representative of the Revolutionary Military Council of the Soviet Union in the Ukrainian Soviet Republic. In April, 1924, he was appointed Vice-Chairman of the Revolutionary Military Council of the Soviet Union. Owing to Trotsky's prolonged illness, this position made him the actual leader of the Red Army.

On January 26, 1925, the Central Executive Committee of the Soviet Union elected Frunze People's Commissar for Army and Navy and Chairman of the Revolutionary Military Council of the Union.

Cultural Life in the Soviet Union

Children's Health Protection in the Soviet Union

THE systematic protection of the health of children and youth in the Soviet Union is a product of the Revolution. Before the Revolution Russia had, at best, nothing more than school hygiene, and only in Leningrad and Moscow, where the service was maintained at the expense of the municipalities; but the question of physical and psychological treatment of the abnormal child was entirely ignored and left to private charity. It is true that the Ministry of Education had a Department of School Hygiene, but, apart from issuing instructions that were never carried out, it did no work whatever.

After the Revolution of 1917 the protection of children's health became a concern of the State. Toward the end of November, 1917, the Department of Children's Health Protection was established and plans were made to care for both normal children (through school hygiene, physical culture, etc.) and abnormal children suffering with physical defects (tuberculosis, etc.) or with psychical ailments (psychopathic and insane cases). Provincial Departments of Children's Health Protection were also organized to attend to local needs.

In 1918 the Department had already undertaken the task of creating standardized children's health institutions to serve as models for similar establishments in the provinces. Two higher training schools were also established—the Physical Culture Institute, and the Institute for Defective Children, renamed the Medico-Pedological Institute in 1921 and turned over to the People's Commissariat for Education in 1924. During 1921 the P. F. Lesgaft training courses at Leningrad were likewise resumed in the form of an Institute of Physical Education.

The transfer of the Department of Children's Health Protection from the People's Commissariat for Education to the People's Commissariat for Health in the autumn of 1918 facilitated the elaboration of a unified plan for protecting the health of children and youth.

After several years of activity the following were laid down as the fundamental scientific principles of organizational unity:

1. Prophylactics (prevention of disease) with regard to the normal and abnormal child, which entailed the organizational subdivision of the work into (a) supervision over the sanitary condition of children's institutions and the elaboration of measures relating to the psychophysical development of children and youth, based upon a study of the problem from the standpoint of biological, social and labor conditions—pedology; and (b) physical culture.

2. Curative Pedagogics with regard to (a) physically abnormal children (tuberculous) and

- (b) children psychically abnormal (mentally and morally).

The Department divides its work into two main branches, one dedicated to scientific research in the field of children's health protection, and the other devoted to training its staff of workers, both medical and pedagogical.

The creation of an army of health workers, including pedagogical hygienists and social eugenisists, by post-graduate training for doctors and teachers, is an immense undertaking. At first short courses were given for this purpose, but later a one-year course was established for physicians and a four-year course of preparation for physical culture experts (instructors and organizers). The above-mentioned colleges of the Department served as the centers for this post-graduate training, while the clinics were furnished by the Department's experimental establishments. As the primary task of social eugenics, the physical improvement of the race and particularly of the working class constitutes the foundation of this training.

The research activities of the Department are carried on (a) in the medico-pedological section attached to the Department; (b) in a number of expert commissions appointed by the Department to collaborate with the People's Commissariat for Education in the study of various medico-pediatric problems of school work; and (c) by the professors, departments and commissions of the training colleges and experimental institutions.

Since the problems of physical culture embrace a vast domain (physiology of the motile organs, anthropometry, fatigue, the effect of various physical factors on the organism, etc.), with due regard for existing facilities a plan was drafted for the elaboration of objective methods of investigation which should render it possible to form a conception of the changes occurring in the organism during various physical exercises.

The Scientific Department of the Central State Institute of Physical Culture in Moscow has to blaze new paths. Particularly great difficulties are encountered in the study of organism reactions, which must be expressed in quantitative form, so that the extent of the effect due to one factor or another may be accurately judged. The first stage in the study of the human organism is anthropometry, but there is a large number of questions which it cannot answer. In such cases the anthropometrical method is supplemented by the physiological (hematological) laboratory, operating according to the improved method of Schilling as applied to physical culture, experimental psychology, etc.

At the present time the laboratories of the Institute are carrying out the application of the synthetical method, which combines the conclu-

sions of all the laboratories in such a way as to obtain data for determining the value of physical exercises.

The following methods are included here: (1) anthropometry; (2) morphological changes in the blood during physical exercises (Schilling's method); (3) changes in blood pressure and functional changes in heart action; and (4) changes in the rapidity of psychological reactions.

The Physical Culture Institute has a clinical school where studies of fatigue and changes in the motor functions of children are carried on.

The colleges and experimental establishments of the Department for Children's Health Protection have issued a number of publications in the field of pediatrics and physical culture. Apart from their purely scientific objects, it was the aim of this publishing activity to create a number of text books giving methods for the study of normal and abnormal functions, conduct, progress and fatigue of children, and for the determination of standard types of children and their constitutions.

A method for investigating the motor faculties of children has been worked out and Ranschburg's procedure has been simplified and supplemented so as to establish not only the rate of progress, but also the mental capacity of children.

The Department regards defectiveness in children as a psychiatric and neurological phenomenon and has assigned this entire field to clinical pedology.

All of the Department's experimental establishments serve as clinics for the Moscow Institute of Physical Culture and Medical Pedology. These comprise a children's prophylactic dispensary, a forest school, a children's tuberculosis dispensary, and pedological and psychoneurological clinics.

Among the provincial and district establishments maintained by the Department of Children's Health Protection the most typical are the children's prophylactic dispensaries with dental and pedological divisions, where specialists in all departments of medicine may be consulted. These dispensaries are considered by the Department as centers for the work of all physicians looking after the health of children. Through them contact is established with the population by means of dispensary service, the assignment of children to medico-pedological institutions, dietetic feeding, day sanatoria, medical aid, home visiting, and so on.

Forest schools are established for physically frail children, neurological sanatoria for children with mild psychic abnormalities, and medico-educational colonies for serious cases of psychopathy—mostly in connection with psychiatric hospitals.

The Department conducts extensive campaigns for children's summer playgrounds, hot breakfasts, etc., and also arranges propaganda weeks for the protection of the health of school children.

Special attention is devoted to protecting the health of the country's working youth. A decree passed on October 13, 1922, by the Council of People's Commissars prescribes that young workers must receive a medical examination at least once a year. Whenever a youth is found engaged in heavy work for which the condition of his health renders him manifestly unfit, he must be transferred to lighter work. Sanatorium colonies, rest homes, sanatoria, and health resorts are also employed to combat physical frailty among youths (35 per cent in Moscow City and 30 per cent in Moscow Province according to an investigation made in 1923). The above-mentioned decree also prohibits the employment of a youth under 18 without a preliminary medical examination.

Physical culture is a particularly important factor in the campaign for guarding and improving the health of working youths. The physical training of working youths and workers' children is carried on in local physical culture establishments, which, although on a smaller scale, are conducted on the same lines as the institutions. The chief centers for mass physical culture are the young people's clubs and the cultural sections of the trade unions. At present there are 24,820 workers' physical culture clubs throughout the Russian Socialist Federated Soviet Republic (Soviet Russia proper).

Physical training, without assuming the forms of professional sports and athleticism, is the aim of the scientific organization of physical culture as carried on by the Central State Physical Culture Institute of the People's Commissariat for Health.

In 1923 a Supreme Council of Physical Culture was formed in connection with the All-Russian Central Executive Committee and under the chairmanship of the People's Commissariat for Health, and analogous local councils were established in connection with local Soviets to act as coordinating organs for the physical culture activities of the various governmental departments—youth training section of the People's Commissariat for Army and Navy, People's Commissariat for Health, and People's Commissariat for Education—and of the workers' organizations.

The work of the Department of Children's Health Protection in the educational field is coordinated with that of the People's Commissariat for Health by means of joint conferences made up of an equal number of representatives from the People's Commissariat for Health and the People's Commissariat for Education. The local coordinating organs are the provincial and district child and juvenile health protection departments, while the medico-pedological conferences held under the Departments of Children's Health Protection connected with the Provincial Departments of Health perform a like function for the investigation of scientific and methodological questions in this field.

Miscellaneous News

Soviet Merchant Ship Construction

Four merchant steamers, the first to be built in Soviet shipyards, were scheduled for launching on October 15.

According to a definitely approved program, during the fiscal year 1925-26 the Soviet shipbuilding industry will complete a total of 31 vessels, of which 6 will be tugs, 5 timber freighters, 3 oil-burners, 2 cargo and passenger ships, 2 mail and passenger ships, 5 oil tankers, 4 freighters, and 4 barges. The total cost of these vessels will be 20,000,000 gold rubles.

In addition the Soviet Merchant Fleet plans to have four oil tankers built abroad this year for account of the Oil Syndicate and four more vessels for service in the Far East.

The tentative shipbuilding program for the next three years calls for the construction of 99 ships in Soviet yards, for which purpose an appropriation of 84,451,000 gold rubles is being made, and eight other vessels will be obtained abroad.

The program provides for the construction of 207 ships during the next five years at a total cost of 291,500,000 gold rubles.

Soviet Ports

Early in October 81 foreign steamers were loading with timber at the port of Archangel. This is the largest number of foreign vessels that has ever been in the port at the same time. Among the foreign steamers 43 were Norwegian, 10 Danish, 7 German, 7 Swedish, 2 British, and 12 of other nationalities.

In connection with the revival of commercial relations with Italy, Turkey and other Near-Eastern countries the port of Batum has been showing a large increase of activity as compared with previous months. During the month of August 54 foreign vessels called at the port and took out 97,000 tons of petroleum products.

Enlargement of Vladivostok Port

In connection with the forthcoming signature of a railroad convention with Japan the work of enlarging the port of Vladivostok has been begun. Freight traffic will be shifted from Golden Horn Bay to Ulysses Bay. A tunnel one and a half kilometers long is to be dug for this purpose. This tunnel will be traversed by a railway spur, which will connect Ulysses Bay with the main railroad trunk. At the same time the equipment of the bay has been inaugurated. Two million gold rubles will be spent on the construction of the tunnel. This in conjunction with the outfitting of Ulysses Bay will open up for Vladivostok the prospect of becoming one of the greatest transit ports on the Pacific Ocean.

Efficient Cheap Plane Built by Soviet Engineer

On September 17 a Soviet engineer by the name of Kalinin flew an inexpensive airplane of his own design and construction from Kiev to Moscow via Kharkov and Orel. In an interview with the press on this occasion he stated that the machine is built of steel except for the wings, which are of wood and represent a special feature of the plane. The airplane is equipped with a 160 horse-power Salmson motor.

Apart from its great economy of fuel consumption, a noteworthy point about the new machine is the fact that when manufactured on a large scale it may be produced at a cost of 10,000 gold rubles, which is several times cheaper than foreign planes of equivalent carrying capacity.

The initial tests yielded splendid results, the airplane flying 1,200 kilometers from Kiev to Moscow in very bad weather and under other unfavorable conditions without showing the least defect or damage. The machine will be adapted to aerial passenger traffic.

Radium in the Soviet Union

The new discovery of high grade uraninite ore on the western coast of the White Sea is expected to give the Soviet Union a full supply of domestic radium. Hitherto Russian scientists have had to depend on scanty supplies of radium imported from abroad. The samples brought to Leningrad by A. N. Lobunzev, geologist, from the White Sea expedition, have been analyzed by the Radium Institute of the Academy of Sciences, which reports the ore as rich in uranium as ore obtained in Joachimsthal, Czechoslovakia.

The Academy dispatched an expedition headed by A. E. Fersman, its Chief Mineralogist, to the White Sea to make arrangements for securing the ore in quantity.

Mr. Fersman returned to Leningrad during the latter part of September after having carried out a study of deposits of radioactive ores, which lie beyond the Arctic Circle.

According to a statement by Mr. Fersman one of the crystals of this ore that he brought back with him is probably the largest that ever was found. The discovered beds of pitchblende (uraninite) ore merit the closest attention. The deposits are spread over a vast zone about one hundred kilometers in extent.

Eight pods of various mineral substances from the deposits, all rich in uraninite, have been delivered to Leningrad. Some of the minerals have hitherto been unknown to geologists.

New Gold and Tungsten Ore Deposits Discovered

In September, while operating in the southern Ural, a geological and prospecting party sent out by the Ural Gold Ore Trust discovered an extensive gold-bearing deposit with a rich content of tungsten ore in Gumbeynsk district.

Hitherto Unknown Tract Discovered in Siberia

An expedition sent out to make a study of areas suitable for colonization has discovered a hitherto unmapped and unknown tract on the right bank of the Yenisei River between the districts of Krasnoyarsk and Kansk. The newly found tract, which has a large stream flowing through it, is suitable in every respect for settlement.

Exports of Soviet Canned Goods

The Soviet Union's State and cooperative canning industry includes 51 factories with an annual capacity of 16,400 metric tons of canned fish, vegetable, fruit, and meat products. At the present time 32 of these plants are in operation. The industry's production has increased as follows during recent years: 3,690 tons in 1921-22; 5,531 tons in 1922-23; 7,564 tons in 1923-24; and a projected output of 13,770 tons in 1924-25.

Before the war, when Russia's canning industry had an output of 40,000 tons a year, the annual exports ascended to 4,507 tons, or 11 per cent of production, the export total consisting of 50 per cent fish products, 30 per cent fruit products, and 20 per cent vegetable products.

The enormous consumers' market in the countries of Western Europe, particularly Germany and England, furnishes a good opportunity for the expansion of the Soviet Union's exports of canned goods.

Soviet Fur Exports in 1924-25

According to preliminary data the Soviet Union's fur exports for the expired fiscal year 1924-25 attained a value of 65,000,000 gold rubles and were distributed as follows by countries:

Exported to	Amount in Gold Rubles	Percentage of Total
England	32,000,000	49.2
United States (direct) .	24,000,000	37.0
Germany	7,000,000	10.8
Other Countries	2,000,000	3.0
Total	65,000,000	100.0

The United States uses squirrel, fox, arctic fox, ermine, marten, skunk, karakul, sable, marmot, souslik, and mouflon.

The export of furs has increased somewhat as compared with the pre-war figures.

Six New Radio Stations

The Leningrad works of the Federal Low-Current Trust have completed the equipment for six new powerful radio stations to be erected at Kharkov, Ekaterinoslav, Sverdlovsk, Rostov-on-the-Don, Astrakhan, and Petrozavodsk.

The Soviet School System

In the course of August a delegation of foreign teachers visited the Soviet Union. The delegation was received by Mr. Lunacharsky, People's Commissar for Public Education of Soviet Russia, who gave a detailed picture of the country's school situation. The following are some of the most striking sections of his statement:

The Soviet regime undertook the administration of the country under extremely difficult material conditions. The nation was in a state of utter impoverishment. Despite this, the wave of enthusiasm and the universally prevalent realization that the Revolution could build a firm foundation for itself only by earnest educational work, evoked the remarkable phenomenon of the swift growth of the Soviet Union's school system.

Whereas before the war the school system took care of 50 to 55 per cent of the juvenile population, in 1920 it began to take care of 80 per cent according to accurate statistical data.

It was evident that neither Federal nor local resources would be able to cope with the enlarged number of schools. This situation would have arisen in any case, but the catastrophe was hastened by the famine of 1921. If the first years following the Revolution were difficult, 1921 and 1922 were still more difficult. It must be said that material conditions have rendered possible more or less normal work in the educational field only during the past two years.

The budget for the past fiscal year 1924-25 was signalized by a jump of 50 per cent, and we flatter ourselves with the hope that the new year's budget will show a similar leap. Last year the average expenditure for education was ten gold rubles per pupil. It is to be hoped that the average will be a few rubles higher this year.

Some time ago the People's Commissariat for Education presented a ten-year plan for the introduction of universal public education. The Government found the ten-year estimate too timid and inadequate and ordered the Commissariat to draw up a seven-year plan instead of the ten-year program. This entails immense disbursements, mounting up to almost 2,000,000,000 gold rubles.

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Coal Industry in the Soviet Union

Cotton Growing in Soviet Central Asia

The Railway System of the Soviet Union

Moscow Theatrical Season in 1925-26

Distribution of Population of the U.S.S.R.

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Coal Industry in the Soviet Union

THE coal industry of the European part of the Soviet Union centers mostly in the Donets Basin, which turns out 75 per cent of all the coal produced in the U.S.S.R. Before the war it used to account for 90 per cent of Russia's coal output. In addition to this major coal region there are coal fields under exploitation in the Ural, in Moscow Province, in the Kuznets Basin in Siberia, at Suchan in the Far-Eastern Region, in Transcaucasia and in some other regions.

Before the industry was nationalized the production of coal was carried on by a large number of joint-stock companies, the principal ones being the Wogau Company, the South-Russian Dnieper Company, the Krivoy-Rog Company, the Russian Donets Company, the South-Russian Coal Mining Company, the Novorossiysk Company, the Briansk Coal Mine Company, the Nikitov Mines Joint-Stock Company, the Russian Anthracite Mines Joint-Stock Company, the Azov-Ural Corporation, and others.

Foreign capital, French, Belgian, German, etc., participated in many of the forenamed firms and in some cases even predominated. Of the total of 834,320,000 rubles invested in Russian industry before the war the sum of 159,952,000 rubles was located in the coal industry as a whole, including the Dombrowa coal basin, which is now no longer embraced in the Soviet coal industry. The national distribution of the foreign capital invested in the Russian coal industry was as follows: French—102,968,000 rubles, Belgian—24,494,000 rubles, German—21,215,000 rubles, British—4,396,000 rubles, Swiss—4,102,000 rubles, and other countries—2,777,000 rubles.

At the present time the coal deposits of the Soviet Union are exploited by the following organizations: in the Donets Basin—"Donugol" (Donets Coal Trust), which is the most important State coal trust in the Soviet Union; "Yugostal" (State Coal and Iron Trust Combination); "Khimugol" (State Chemical and Coal Trust Combination); The Mine Transport Joint-Stock Company and some small leaseholders. The fields in the Province of Moscow are worked by the State coal trust known as the "Moskvugol." The Kuznets Basin is exploited by the American Industrial Colony ("AIK Kuzbas") under a special agreement with the Soviet Government and by the "Kusbastrust" (Kuzbas State Coal Trust). In addition there are the "Kizeltrust" operating in the Ural and the "Cherembatrust" operating in Eastern Siberia, as well as some others.

The table below gives the estimated reserves in the above-mentioned fields:

Coal Fields	Metric Tons
Kuznets Basin	258,000,000,000
Donets Basin.....	59,600,000,000
Irkutsk Basin.....	52,000,000,000
Northern Siberia.....	40,000,000,000
Moscow Province.....	8,000,000,000
Other Regions.....	18,700,000,000
Total	436,300,000,000

The coal output during recent years as compared with pre-war production is given in the following table:

	1913	1920	1921-22	1922-23	1923-24	1924-25	1925-26 Program
Donets Basin.....	25,308,000	4,634,000	6,615,000	8,095,000	12,131,000	12,328,000	19,520,000
Ural	1,197,000		1,025,000	1,156,000	1,031,000	1,300,000	
Siberia	928,000		1,350,000	1,370,000	1,313,000	1,070,000	
Far East	338,000		320,000	653,000	640,000	700,000	
Moscow Prov.	300,000	3,559,000	625,000	750,000	660,000	556,000	
Others	285,000		—	108,000	177,000	153,000	
Total	28,356,000	8,193,000	9,935,000	12,132,000	15,952,000	16,107,000	24,705,000
% of 1913.....	100.0	28.8	35.0	42.7	56.2	56.8	87.0

As the preceding figures show, since suffering the maximum decline in its output in 1920 the Donets Basin has steadily increased its production. Thenceforth this basin begins to conquer anew its leading position among the coal producing basins of the Soviet Union. The Donets Basin yielded 56.5 per cent of the country's total output

in 1920, 64.4 per cent in 1921-22, and 77 per cent in 1924-25. Its share in the future will be still larger. Throughout the post-Revolutionary period the output of the remaining fields has been maintained between 3,600,000 and 3,800,000 tons. These regions underwent their maximum development during the fiscal year 1922-23, after which

their output slowly declined. The share of the Moscow Province field in the country's total coal output fell from 6.5 per cent in 1922-23 to 4 per cent in 1924-25; that of the Ural from 10.5 per cent to 7.5 per cent; and that of Siberia from 13.1 per cent to 7 per cent.

This phenomenon of the increased importance of the minor coal fields during the revolutionary years and their progressive decline with the return of normal national life, was due principally to the disruption of transportation, which made it impossible to supply the industrial centers with Donets coal and constrained these industries and the transportation system itself to consume local coal and wood.

At the present time the relative productive roles of the various coal fields are approaching the pre-war standard.

The proportion of the coal output consumed in the fields themselves for local requirements is highly indicative of the technical condition of the enterprises and the efficiency of the management of the coal producing industry. The next table shows the favorable developments along this line in recent years:

Percentage of Gross Coal Output Used in Fields for Own Needs

Region	1921-22	1922-23	1923-24	1924-25 1st Half	1925-26 Program
Donets Basin	30.0	25.6	16.0	14.5	11.41
Moscow Prov.	28.0	15.6	10.4	6.9	4.8
Ural	18.0	13.8	10.7	4.5	—
Siberia	19.0	16.8	14.3	16.2	11.1

These figures bear witness to the marked achievements of the Soviet Union's coal industry.

The most immediate problem of the coal industry is the introduction of machine methods of coal production. Toward this end appropriations of considerable magnitude have been made for the purchase of the requisite equipment in Germany, England, and the United States during the current fiscal year. While \$9,586,000 were appropriated for all major reconstruction work and for the introduction of machine methods in the Soviet coal industry during the fiscal year 1924-25, the sum of \$43,000,000 has been allotted for this purpose in 1925-26.

Coal shipments from the fields during the past years have averaged between 85 and 90 per cent of the net output. Thus, 89 per cent of the total net output was shipped out of the fields in 1922-23 and 85.4 per cent in 1923-24.

Soviet coal exports have been growing from year to year. During the fiscal year 1923-24 about 82,000 metric tons of Soviet coal were exported to various countries, including Italy, Greece, Turkey, Rumania, Northern Manchuria, China and others. During the first half of 1924-25 coal exports amounted to 54,000 metric tons, and during the second half they amounted to 192,000 tons, making a total of 246,000 metric

tons for the entire year. This is 36,000 tons higher than the total of 210,000 tons exported by Russia in 1912. The increase in coal exports as compared with pre-war figures is explained by the production of coal in Kuznets Basin, which has rendered it possible to export coal to China and Mongolia. It is planned to export a considerably larger quantity of Soviet coal during the fiscal year 1925-26.

Foreign Capital and Transcaucasian Coal Fields

Since the award of the Harriman manganese concession foreign capital has displayed an interest in other subsoil wealth in Transcaucasia, particularly coal. The local Soviet authorities have received inquiries from Italian and other foreign firms with regard to the situation of Transcaucasian coal deposits.

The first fields to attract the attention of foreign firms are the Tkvarcheli coal deposits in Abkhazia, whose exploitation was already on the point of being begun by Italian firms under the Menshevist regime in Transcaucasia. This coal field was discovered in the year 1898. It has an advantageous geographical position, being located in the Black Sea coast region at a distance of 30 kilometers from the Sea in the basin of the Galizga River in Abkhazia. Its total area is forty-five square kilometers and it is divided into six sections. The gross coal reserves in the six divisions of the field are estimated at 225,000,000 metric tons. However, this figure is only tentative; and the actual coal content must be considerably larger, as the reserve of the section that has been adequately surveyed is calculated at 55,000,000 metric tons.

The quality of the coal in the Tkvarcheli field is excellent, analyses made before the war having demonstrated that it yields 72 per cent of coke that is entirely suitable for blast furnace use, and 5 to 8 per cent of ashes. Experts who have tested the coal consider it equal in quality to British Monmouthshire coal, the best variety of Cardiff coal. The practical tests made on the vessels of the Black Sea war fleet also support the conclusion that Tkvarcheli coal is of a very high quality, approaching that of Cardiff coal.

During the current fiscal year the Supreme Council of National Economy will carry out supplementary surveys to establish accurately the coal reserves in the various divisions of the field.

The Black Sea Railroad, now nearing completion, will materially facilitate the exportation of this coal. In addition, this road and other Transcaucasian railway lines will be large consumers of Tkvarcheli coal.

With appropriate equipment the Black Sea port of Sukhum, which is located fifty kilometers from the coal fields and possesses favorable natural features, may be the most advantageous point for exporting the coal by water.

Among the other Transcaucasian coal deposits possessing industrial significance it is worth while mentioning the Tkvibul field in Georgia, which has been under exploitation since 1847. Its total coal content is estimated at 100,000,000 metric tons. The coal produced in this field at present is consumed locally.

Industrial Progress in U.S.S.R.

ACCORDING to preliminary data issued by the Chief Electrical Department in October, the output of the Soviet electrical industry for the fiscal year 1924-25 amounted to \$31,978,000 in value, exceeding production for the fiscal year 1923-24 by 83 per cent.

Among the principal branches in the industry the largest growth was recorded by the electric machine construction division and the low-current equipment factories. The output of the electrical machine construction plants in 1924-25 was valued at \$6,200,000, an increase of 111 per cent over the preceding year. The value of the low-current equipment production amounted to \$4,200,000 representing an increase of 138 per cent over the total of \$1,750,000 for the previous year.

Cable production showed an increase of 50 per cent. The lamp output rose 105 per cent in value and even more in quantity. The production of half-watt lamps has undergone an especially marked increase, having risen from 114,000 lamps in 1922-23 up to 739,000 in 1924-25. The output of common electric lamps advanced from 5,800,000 up to 9,800,000 lamps.

The labor force employed by the electrical industry increased 26 per cent during the fiscal year. It should be noted that the increased production of the lamp factories was accompanied by a reduction of 8 per cent in the working force as the result of the introduction of automatic machinery. The mechanization of a number of processes in the manufacture of porcelain insulators made it possible to increase the output by 136 per cent with a simultaneous decrease of 3 per cent in the total number of workers employed.

During the fiscal year 1924-25 sales of electrical products aggregated \$41,870,000, as against \$21,450,000 in 1923-24. The volume of sales increased from quarter to quarter of the fiscal year. Despite the rapid expansion of production, the demand for electrical goods continuously exceeded the supply.

The prices of a number of electrical products were lowered during the course of the expired fiscal year. In particular, retail prices were reduced on lamps, batteries, and several other items. There was no decline in the prices of electrical machines and none is expected as yet.

Soviet Oil Output for 1924-25

Production for the fiscal year 1924-25 in Baku, Grozny and Emba (the three main oil fields) was 6,950,000 metric tons, as compared with 6,000,000 tons in 1923-24. This is nearly 80 per cent of the pre-war figure. New drillings were 590,700 feet, an increase of nearly 50 per cent over 1923-24. Gusher oil amounted to 28.5 per cent of the output, being particularly high in the Grozny field.

The year was marked by great advances in efficiency, power economy and electrification. Production from deep pumps was increased to 20.7 per cent of the total, a four-fold increase over the previous year. Of the drilling 54 per cent of that in the Baku fields was done by rotary drills, a great advance over previous years. Seventenths of the entire non-gusher production was from electrified wells.

During the year nearly \$3,000,000 worth of oil well machinery was purchased in the United States.

Though production for the year showed an increase of 13 per cent over the year 1923-24, the average number of workers employed, 60,838, showed a decrease of 5 per cent. The number of workers and clerks employed per thousand tons of production fell from 10.3 to 8.7. Labor efficiency therefore increased by 15 per cent, aided of course by the new mechanical installations.

Development of Siberian Industries

The Supreme Council of National Economy of the Soviet Union recently called upon all the individual republics, areas, and provinces in the Union to submit program projects on a five-year basis for the rehabilitation and extension of local industry.

The plan presented by Siberia area includes the following projects:

It is proposed to expand the timber industry—Siberia's basic resource—fourfold by the end of the five-year period, bringing the annual timber output up to 16,000,000 cubic feet from the present production of 4,500,000 cubic feet. The lack of adequate working capital and the present dimensions of the export trade have not yet permitted any large-scale exploitation of the inexhaustible timber wealth of this territory.

The leather industry is scheduled for an increase of more than 100 per cent over its existing dimensions within the space of the five years.

The present yearly output of the Siberian oil-pressing industry—3,279 metric tons—is to be raised to 7,705 metric tons by the end of the five years.

The Siberian match industry is slated for a comparatively small increase up to 185,000 cases, as compared with the present annual output of 130,000 cases.

It is planned to bring the yearly production of cement in Siberia up to 270,000 barrels by the

close of the five-year term, as against the output of 60,000 barrels for the fiscal year 1924-25.

Apart from this, with a view to the reconstruction and expansion of State industry in Siberia, it is proposed to restore and put into operation in this territory a number of large metallurgical and metal-working enterprises. During the current fiscal year it is planned to raise the question of constructing a large metallurgical plant in Kuznets Basin with an annual pig-iron output of up to 491,800 metric tons. It is also proposed to bring up the question of erecting an agricultural machinery and implement factory.

Kuzbas Production Program for 1925-26

A production program for the American Industrial Colony (the "AIK") in Kuznets Basin, Siberia, for the fiscal year 1925-26 was considered and approved at a session of the Fuel Planning Commission of the Supreme Council of National Economy during the first half of October.

This program calls for a gross coal output of 730,000 metric tons, an increase of 54 per cent over the production for 1924-25. It is estimated that 73,000 metric tons, or 10 per cent of the gross output, will be consumed for local requirements in the field during the current fiscal year, as against 12.7 per cent during 1924-25. The net production of coal will accordingly amount to 657,000 metric tons.

About 180,000 metric tons of coal will be employed for coking purposes, while 450,000 metric tons will be shipped out of the field. The average monthly output per worker in 1925-26 is scheduled at 15.6 metric tons, 22.5 per cent higher than the average individual productivity in 1924-25. The average monthly wage has been fixed at 45 gold rubles, as compared with 34 gold rubles for 1924-25.

During the first part of 1925-26 fifty coking ovens will be in operation, but on April 1, 1926, a battery of fifty more will be started up. These two batteries of ovens will coke 180,000 metric tons of coal during the fiscal year. The coke output will amount to 68 per cent of the coal charge, so that 122,400 metric tons of commercial grades of coal will be produced.

The chemical plants connected with the coking industry will turn out approximately 8,650 metric tons of derivative products, which will constitute an increase of 90 per cent over the output for the previous fiscal year.

With regard to the Guriev Metal Works the program requires an ore output of 14,000 metric tons during 1925-26, and a stock of 12,100 metric tons on October 1, 1926, as compared with 12,300 metric tons of ore on hand October 1, 1925.

The sum of \$2,300,000 is to be expended on major construction and equipment work during 1925-26.

Rubber Cultivation and Rubber Industry

The British rubber monopoly is hampering the development of the rubber industry of the Soviet Union to such an extent that the Soviet authorities are cooperating with the industrialists in an energetic effort to make the country independent for its supply of caoutchouc. The Soviet Rubber Trust, like the American manufacturers, is alarmed over the high cost of the raw material.

Experiments are now being carried on with the growing of caoutchouc-bearing plants in Turkistan, Transcaucasia and other sub-tropical sections of the country. Professor Voronov has been sent to South America by the Leningrad Botanical Garden to make a thorough study of rubber cultivation. In addition Government scientists are working on plans for the production of artificial rubber. It is expected that the Supreme Economic Council will offer a substantial prize for the best process of producing rubber synthetically.

The rubber industry of the Soviet Union is now producing at about 60 per cent of the pre-war volume. In 1920 production had fallen to 5 per cent. Of the seven plants under the Rubber Trust, only three are working regularly. Much of the equipment became worn out during the war, but considerable replacement is now provided for, and there will be substantial additions of new machinery of the latest types during the current fiscal year. Machinery to the value of \$2,300,000 will be purchased in the United States, England, France and Germany, and a new tire factory will be built near Moscow. The pre-war rate of production will be passed by the middle of 1927.

Soviet Beet-Sugar Industry

The accompanying figures record the development of sugar production in the Soviet Union during recent years:

Year	Number of Factories	Total Output in Metric tons
1914.....	200	1,493,000
1923.....	100	308,200
1924.....	106	395,000
1925.....	118	820,000

In 1923 and 1924 the industry included 10 co-operative factories, which were increased to 15 during 1925. These are embraced in the above totals.

The aggregate sugar output for the 118 factories operating during the calendar year 1925 will constitute 54.9 per cent of the total for 1914.

On October 1, 1924 the consolidated balance sheet of the Soviet sugar industry showed a loss of approximately \$1,545,000. By January 1, 1925, the industry had not only made up this deficit, but also showed a profit of \$7,828,000, so that its earnings for the three months amounted to \$9,373,000.

Timber and Mining Concessions

IN the North-European part of the Soviet Union, which is the region covered by the activities of the Northern Timber Trust (the "Severoles"), three timber industry concessions are under operation—the Russo-English Timber Company ("Russangoles"), the Russo-Holland Timber Company ("Russhollandoles"), in the Archangel region, and the Russo-Norwegian Timber Company ("Rusnorwegoles"), in the Onega region, in all of which the Northern Timber Trust holds 50 per cent of the capital stock.

The aggregate workable timber area turned over to the concessionaries for exploitation occupies 12,366,000 acres, which constitutes almost 20 per cent of the total utilizable timber territory that is now being exploited by the Northern Timber Trust.

The first task facing the timber concession enterprises in the Northern territory is the restoration and extension of mill equipment up to a point which will assure the handling of all the timber to be cut on the concession tracts. It may be considered that the two oldest timber concessionaries, the Russo-English Timber Company and the Russo-Holland Timber Company, had partially solved this problem well before the end of the fiscal year 1924-25. The Russo-Norwegian Timber Company, however, was not expected to accomplish this task to any large extent until the end of 1924-25, i. e., until the end of September, 1925. The producing capacity of the mills operated by the three timber concessionaries toward the end of the third quarter of 1924-25 was such that they could turn out about 65,000 standards of lumber annually instead of the 54,000 standards called for by the program for the fiscal year 1924-25. According to the established expansion programs the annual combined producing capacity of the three concessionaries was to be raised to between 76,000 and 80,000 standards of lumber by the close of the fiscal year 1924-25, thus bringing it above the total of 70,000 standards of lumber, equivalent to 1,400,000 sawn beams, which is regarded as the normal yearly output for these forest lands, even under the newly revised plans for forest exploitation. Thus the engagements undertaken by the concessionaries with respect to the restoration and enlargement of the lumber mills leased to them are being faithfully fulfilled.

Figures available toward the end of August showed that the amount of timber prepared by the three companies during the fiscal year 1924-25, which ended on September 30, already stood 8 per cent above the aggregate output prescribed in the agreements with the enterprises. Altogether, during the fiscal year 1923-24 the three concessionaries turned out over 1,000,000 sawed beams

and about 400,000 railroad ties. Their combined output for the fiscal year 1924-25 amounted to about 1,200,000 sawed beams, about 400,000 railroad ties, and 2,000 cubic sazhen of top logs.

Labor productivity is increasing in all of the concessionaries' enterprises. In the case of the Russo-Norwegian Company in particular the number of workers employed per sawmill shift was reduced by 30.5 per cent, labor productivity increased by 26 per cent, and the outturn of export material was 4.75 per cent larger. Finally, the interruptions to steady labor employment due to minor causes were reduced by 64.5 per cent.

The exportation of timber by these three companies is developing successfully. In 1923-24 their combined exports included 61,000 standards of lumber, over 100,000 heavy beams, and about 450,000 railroad ties, or 196,000 tons of timber by weight, worth approximately £1,000,000 f. o. b. Russian port of shipment.

The total timber products shipped to foreign countries by the three concessionaries constituted 35 per cent of the aggregate quantity exported by the Northern Timber Trust ("Severoles"), while their shipments of finished lumber amounted to 32 per cent of the quantity exported by "Severoles." The pro-rata payments made to the Soviet Government by the two concessionaries operating during the fiscal year 1922-23 aggregated 989,961 gold rubles, while the total in 1923-24 was 2,250,000 gold rubles for the three companies.

Improvement Work Begun on Harriman Concession

Early in October Mr. Jules Labasse, who was appointed manager in chief of the Georgia Manganese Company (the Harriman concession), arrived at Moscow from New York, together with some members of his staff. During an interview with the press he made the following statement:

"Immediately upon our arrival at Chiaturi we shall begin an extensive study of the possibilities for the complete reequipment of the concession in accordance with the latest achievements of American technology. In the near future work will be started on the construction of a broad-gauge railroad line, Chiaturi-Sharapan-Poti, connecting the ore fields of Chiaturi with the Black Sea port of Poti, where large-scale loading equipment of the elevator type will be installed. At the same time research work will be commenced to improve the methods of mining the ore.

"The concessionary company will endeavor to increase the output and reduce the cost of production to such an extent that Soviet manganese may easily compete on the international market with manganese originating from Africa, Brazil, and India. It is planned to renew the concession equipment completely during the next two or three years, about \$4,000,000 having been appropriated for this purpose.

"The annual output of Chiaturi manganese can be brought up to 1,000,000 tons, enough to cover the requirements of the whole world."

At the time of this interview the transfer of the property at Chiaturi and its receipt by the concessionary firm had been completed.

The exportation of Chiaturi manganese ore had already been resumed. Up to the 10th of October

40,000 tons had been exported, and five vessels were soon expected to call at Poti for cargoes of manganese ore.

Around that date the shipments of manganese ore from Chiaturi to the port of Poti averaged 1,000 tons a day, and it was expected that the total would be raised to 50,000 tons a month in the near future.

Progress of Soviet Agriculture

NOTWITHSTANDING a number of unfavorable factors, such as the drought of 1921-22 and the crop failure of 1924, during the past years agriculture has developed steadily in the Soviet Union, both quantitatively and qualitatively. The following table, giving the sown area in recent years for the Soviet Union, exclusive of Turkestan, the Transcaucasian Federation, and the Far-Eastern Region, indicates the quantitative advance:

Year	Sown Area in Acres	Percentage of 1916 Area
1916.....	244,620,000	100.0
1922.....	158,490,000	64.7
1923.....	194,400,000	79.5
1924.....	197,200,000	83.9
1925.....	214,110,000	87.5

The quantitative growth of Soviet agriculture has been accompanied by qualitative progress, as expressed in the increased production of high-priced grain crops for the market and industrial raw material crops, as well as in the improvement of farming methods. This may be seen from the fact that in the R.S.F.S.R., i. e., Soviet Russia proper, (comparative data for the Ukraine, Transcaucasia and White-Russia not being available as yet) the wheat area increased 12 per cent over the previous year, while the rye area increased 5 per cent and the oat area 3.5 per cent.

The next table illustrates the increase in the sowings of intensive crops and industrial raw material ("technical") crops in the Soviet Union:

Area Under Technical Crops

	1916 Acres	1922 Acres	1923 Acres	1924 Acres	1925 Acres
Flax	3,734,100	2,203,200	2,281,500	2,862,000	3,413,900
Hemp	1,471,500	1,238,500	1,431,000	1,725,300	1,949,400
Sunflower	2,878,200	4,711,500	4,808,700	5,667,300	6,393,600
Cotton	1,692,900	140,400	448,200	1,121,300	1,614,600
Sugar-Beet	1,559,800	456,300	610,200	864,000	842,300
Tobacco	151,200	16,200	94,500	94,500	no data
Total	11,487,700	8,766,100	9,874,100	12,334,400	14,213,800

Accordingly, even in 1924 the sown area for the six crops in question surpassed the corresponding area for 1916 by 846,700 acres, or 7.4 per cent, while in 1925, exclusive of tobacco, it was 2,877,300 acres, or 25.4 per cent, larger. The general increase was chiefly due to greater sowings of sunflower and hemp. The cotton area is approaching the 1916 total, now amounting to 95.4 per cent of the area for that year, while the flax area has reached 90.2 per cent of the 1916 figure.

The advance in agricultural methods is proceeding along the line of soil improvement (in 1924 about 135,000 acres were improved in the R. S. F. S. R.—Soviet Russia proper), transition to multiple field crop rotation (during 1924 in 38 provinces of the R.S.F.S.R. 160,000 farms introduced the multiple crop rotation system), the development of grass sowing (in 1924 a total of

2,460,000 acres were sown with grasses, as against 1,674,000 acres in 1923), the application of mineral fertilizers, selection and cleaning of seed grains (in 1924 over 210,000 metric tons of seed grain were cleaned), better plowing, and, finally, the employment of improved modern agricultural machines and implements; thus in 1923 \$4,500,000 worth of agricultural machinery was sold to the peasantry, in 1924 \$8,500,000, and in 1925 about \$20,000,000; in 1923 over 1,000 tractors were purchased by the peasants, while the total for the fiscal year 1924-25 reached over 7,500.

The live-stock situation shows also considerable attainments. Thus, the number of draft horses and cattle (including calves) has increased as follows during the past three years, figures for 1916 being given for comparative purposes (see table on page 472):

Live Stock in the Soviet Union

Year	Draft Horses	Cattle
1916.....	31,400,000	51,100,000
1923.....	20,000,000	39,000,000
1924.....	22,000,000	46,000,000
1925 (preliminary)	23,100,000	49,200,000

This table shows that the number of work horses amounts to 73.6 per cent of the 1916 total, while the cattle herds constitute 96.3 per cent.

In conclusion it is not without interest to cite the gross grain crop figures for the Soviet Union in 1924 and 1925, the statistics for the latter year being based on data of July 15, 1925:

Gross Grain Crop in Metric Tons

	1924	1925	Percentage Increase
Rye	17,262,300	20,755,700	20.2
Wheat	10,398,400	17,996,700	73.0
Oats	7,395,100	10,780,300	45.7
Barley	3,808,000	6,180,300	62.2
Maize	2,396,700	4,005,900	67.0
Buckwheat	1,185,200	1,541,000	30.9
Millet	2,090,100	4,114,800	96.8
Other Grains ..	1,190,200	1,178,700	—
Total	45,726,000	66,553,400	45.5

According to estimates made by the State Planning Commission the Soviet Union's aggregate agricultural production for the fiscal year 1925-26 will have a value of approximately \$5,870,000,000, which will constitute 87 per cent of the amount for the record crop year 1913 and 125.7 per cent of the total for 1924-25.

Cotton Growing in Central Asia

THE Central Asiatic territory of the Soviet Union is its most favorable region for cotton growing. Cotton is also produced in the Transcaucasian Soviet Federation but only a small area is devoted to it there.

During the war period, from 1914 to 1919, when Russia was cut off from American and Egyptian cotton, the area planted with cotton in Central Asia increased steadily, reaching 1,927,400 acres in 1916. This area produced 239,000 metric tons of cotton, equivalent to almost 70 per cent of Russia's consumption. Over 30 per cent of the irrigated sown area in Central Asia was occupied by cotton plantations.

Between 1919 and 1922 a rapid decline occurred in Central Asiatic cotton growing as a result of the civil war and intervention. The cotton area had fallen to 155,700 acres in 1922.

With the return of peace cotton growing began to recuperate rapidly. The sowings covered 494,400 acres in 1923, 988,400 acres in 1924, and

1,371,400 acres in 1925, the latter figure constituting 26 per cent of the entire irrigated sown area in the Central Asiatic territory of the Soviet Union.

These successes were achieved as the result of a number of measures. Joint-stock companies and cotton societies under the guidance of the Chief Cotton Committee were organized with funds advanced by interested State institutions. These companies and societies granted direct loans in money and kind to the Central Asiatic peasants to help them to plant cotton.

The peasants deliver the entire cotton crop to the State at a price established in accordance with market conditions, but entirely safeguarding the interests of the peasant growers.

For the purpose of collecting the cotton from the peasants a network of purchasing stations has been spread throughout the cotton producing area of Central Asia. These points are distributed in such a way that the peasant does not have to transport his cotton more than seven to eight kilometers on the average, which is a small distance under conditions prevailing in this territory. From the purchasing stations the cotton goes to the State cotton ginning plants, of which there are 61 at the present time. There it is ginned and shipped to the textile factories. In 1925 loans of various sorts aggregating \$15,800,000 were extended to the Central Asiatic peasants.

In 1923 energetic work was also started for the reconstruction of the irrigation system. In 1921 the artificially irrigated farming area had declined to 50 per cent of the pre-war total and constituted 4,778,100 acres. Thanks to the reconstructive measures adopted, the irrigated area amounted to 6,388,700 acres in 1925. Cotton growing in Central Asia has been almost restored to its maximum pre-war level.

The current year's cotton harvest will total about 150,000 metric tons, approximately 57 per cent of the total of 262,000 tons consumed by the Soviet textile industry.

The plan for the further rehabilitation of cotton growing in Central Asia provides for a sown area of 1,929,400 acres in 1926. According to the plan of operations for the next five years, the Central Asiatic cotton area will reach 3,800,000 acres in 1930 with a cotton crop of 521,000 metric tons of fibre.

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

- 1 pood equals 36 lbs. About 60 poods equal a ton.
- 1 verst equals about two-thirds of a mile (0.66).
- 1 arshin equals 0.77 yard.
- 1 sazhen equals 7 feet.
- 1 dessiatin equals 2.70 acres.
- 1 vedro (bucket) equals 3.25 gallons.
- 1 gold ruble equals \$.514.
- 1 kopeck equals .01 of a ruble.
- 1 chervonets equals 10 gold rubles; its gold parity is \$5.14.

Foreign Trade of the Soviet Union

PRELIMINARY figures published by the People's Commissariat for Foreign Trade place the Soviet Union's foreign trade across the European frontiers during the fiscal year 1924-25 at \$587,019,000.

The total Soviet exports for the fiscal year 1924-25 across the country's European frontiers amounted to \$260,864,000. The addition of Soviet exports over the Asiatic frontiers, estimated at about \$26,000,000, brings the export total for the fiscal year up to approximately \$286,000,000, which is between 10 and 15 per cent above the export program that had been set for 1924-25.

Soviet imports over the European borders for the fiscal year 1924-25 aggregated \$326,155,000. The inclusion of imports across the Asiatic frontiers, estimated at about \$31,000,000, raises the total Soviet import trade for the fiscal year up to approximately \$357,000,000, placing the full foreign trade turnover for 1924-25 in the neighborhood of \$643,000,000.

The imports for the fiscal year exceed the exports by some \$71,000,000, which is from \$7,000,000 to \$12,000,000 less than had been anticipated in the foreign trade program for this fiscal period.

Soviet Foreign Trade in September

Preliminary figures issued by the Soviet customs administration during the month of October showed that Soviet imports for September had amounted to \$39,270,000, representing considerable increases over the corresponding totals of \$23,517,000 for August.

Although not so marked as in the case of imports, Soviet exports for September likewise registered advances, the totals amounting to \$35,559,000, as against \$26,605,000 for the preceding month.

Equipment Imports for Soviet Industry

It is calculated that during the next three or four years Soviet industry will require approximately \$500,000,000 worth of new equipment, about \$350,000,000 of this total being needed for the outfitting of additional factories.

During the current fiscal year 1925-26 it is proposed to import equipment to the value of some \$150,000,000 for the industries of the Soviet Union. These purchases are to be made on terms calling for the payment of 20 to 30 per cent of the amount during the first year with the remainder payable in three to five years. If the requisite credits are not obtainable or if they are offered for shorter terms, the purchases will naturally have to be decreased in proportion.

According to information available at the present time, most of the firms with which it is plan-

ned to place the orders are prepared to extend the required credits to Soviet industry in view of its existing credit capacity, as well as because of the increase in its credit capacity due to the improved equipment of Soviet factories and mills.

The equipment purchases of approximately \$150,000,000 during 1925-26 will be made in Germany, England, the United States, and Sweden. The major part of the equipment for the metal industry, the printing and allied industries, the chemical industry, and the food industry, as well as precision apparatus and some other special articles, will be bought in Germany. Textile machinery, electrical equipment, instruments and other articles will be purchased in England. The purchases to be made in the United States will include equipment for the Soviet petroleum industry, as well as part of the equipment for the metal industry, the silicate industry, and other branches. The above-mentioned figures are tentative. The allocation of orders will depend in the first place upon the furnishing of the required credits.

Export-Import Operations of "Mixed" Companies

According to preliminary data for the fiscal year 1924-25, the annual business turnover of the "mixed" joint-stock companies operating in the Soviet Union, viz. "Alamerico" (Allied American Company); "Wostwag" (West and East European Company for the Exchange of Commodities); "Raso" (Russian-English Raw Material Company); "Ratao" (Russian-Austrian Joint-stock Trading Company); "Russot" (Russian Trading Company); "Russoturk" (Russian-Turkish Trading Company); "Russavstorg" (Russian-Austrian Commercial and Industrial Company); and "Russgertorg" (Russian-German Trading Company), amounts to \$16,121,300. Their import business for the fiscal year constitutes \$5,802,750 and their export business \$10,318,550. "Russgertorg" holds first place with respect to imports with the sum of \$3,086,000 (54.4 per cent of the total), while "Raso" leads in exports with the sum of \$3,635,000 (35 per cent of the total).

The most important of these mixed joint-stock trading companies carry on their operations in specific countries with definite merchandise quotas. Thus, for instance, "Russgertorg" imports agricultural machinery, seeds, dyes, non-ferrous metals and other commodities from Germany, Sweden, and Czechoslovakia. "Russot" imports chemicals, dyes, and non-ferrous metals from England, Germany, Sweden, Finland, and Latvia. "Alamerico" imports non-ferrous metals, agricultural machinery, instruments, chemicals and other goods from England, America, Sweden and Germany.

Such specialization produces favorable results for the mixed companies themselves and harmonizes with the interests of the Soviet Union's foreign trade.

As regards the export operations of these organizations, furs hold the foremost place in the point of value, while agricultural products and animal raw materials stand second. Most of these exports go to Germany, England, and Latvia.

On the whole, the export business of the mixed trading companies considerably exceeds their import business. Only in the case of "Russgertorg" and "Russoturk" is there an adverse trade balance. In the case of Turkey no account is taken of the export business done without licenses across the Asiatic frontiers of the Soviet Union.

Soviet Oil Exports Surpass Pre-War Total

The availability of figures for the expired fiscal period 1924-25 now makes it possible to sum up the development of Soviet petroleum product exports during the course of the past years.

Whereas the Soviet Union's exports of various petroleum products aggregated 139,340 metric tons in 1921-22 and rose to 311,480 metric tons during the following fiscal year, in 1923-24 they increased at a still more rapid rate and reached an annual total of 721,310 metric tons.

The fiscal year 1924-25, ended September 30, 1925, showed the greatest advances of all recent years in oil product exports. The total for the year ascended to 1,337,700 metric tons. This figure far surpasses the country's pre-war petroleum exports, the total for the fiscal year 1924-25 standing over 41 per cent above the aggregate Russian petroleum exports in 1913.

The following were the export totals for some individual petroleum products in 1924-25: kerosene—390,160 metric tons, as against 347,540 metric tons in 1923-24; fuel oil ("mazut")—388,530 metric tons; gasoline—275,410 metric tons; and motor fuel—37,700 metric tons. The exports of all these oil products during the elapsed fiscal year were considerably above the corresponding figures for the previous fiscal year, gasoline exports, for example, being twice as large and fuel oil exports eleven times as large.

A further rapid expansion of Soviet oil exports is expected for the new fiscal year 1925-26.

Soviet Oil Products Exports to Italy

During the expired fiscal year 1924-25 the sales of Soviet petroleum products in Italy aggregated 250,000 metric tons, which constitutes 18 per cent of the Soviet Union's total petroleum product exports for the year. Soviet petroleum product exports to Italy showed a sixfold increase as compared with the foregoing fiscal year.

Soviet Oil Exports to Germany

The Soviet Union's petroleum exports to Germany have been increasing from year to year and are steadily acquiring greater importance in the Soviet-German trade turnover. In this regard the expired fiscal period was a record year. The sales of Soviet petroleum products on the German market totaled 22,950 metric tons in 1921-22, 62,300 metric tons in 1922-23, 70,490 metric tons in 1923-24, and in 1924-25 they amounted to more than 177,050 metric tons, an increase of 150 per cent over the preceding year.

Purchases of All-Russian Textile Syndicate in U.S.

According to the annual statement of the All-Russian Textile Syndicate, a New York corporation which handles the purchases of American cotton for the textile mills of the Soviet Union, the syndicate purchased during the year 1924-25 297,848 bales of American cotton valued at \$49,401,112, c. i. f. Murmansk, as compared with 222,645 bales valued at \$36,682,130, for the year ending September 30, 1924. During the year the Syndicate chartered 31 vessels for shipments to Murmansk, as compared with 24 vessels the previous year. Dye purchases were \$60,797, as compared with \$4,614 during the previous year.

The balance sheet of the Syndicate as of September 30 showed assets of \$13,917,659, and liabilities of the same amount, including \$2,500,000 notes payable, \$5,100,000 bank acceptances discounted, \$2,500,000 bank loans, \$874,474 trade acceptances payable, and \$1,000,000 capital stock outstanding.

In connection with the annual report, Alexander Gumberg, manager of the All-Russian Textile Syndicate, issued a statement showing that the output of cotton textiles in the Soviet Union had increased seven-fold in the past three years, linens three-fold, while the output of woollens had doubled.

The All-Union Textile Syndicate of the Soviet Union, of which the All-Russian Textile Syndicate is the American purchasing agency, produces 98 per cent of the textile output of the country. Its output of cotton textiles during the past Soviet fiscal year was 65 per cent of the production of 1912. This year production will equal the pre-war figure. The cotton industry will expend \$54,300,000 on major construction and equipment during the next twelve months.

Soviet Grain Exports

Soviet customs statistics for September show grain exports of 309,100 metric tons (approximately 13,600,000 bushels), as compared with exports of 115,900 tons (approximately 5,100,000 bushels) in August.

The figures indicate a total grain export of less than 20,000,000 bushels up to October 1. This

is considerably below expectations. The delay is ascribed to the tendency of the peasants to hoard their stocks in expectation of higher prices later.

Soviet Timber Exports

Exports of timber from the Soviet Union during the past Soviet fiscal year, ending September 31, were about 150 million cubic feet, valued at \$41,000,000, an increase of 30 per cent over the previous year.

Danishevsky, Chairman of the Board of "Severoles," the principal timber trust, who recently returned to Moscow from a trip abroad in the interest of extending the Soviet timber market, has reported that during the current fiscal year foreign countries on the export list will include the additions of Italy, Greece, Egypt and South Africa. "Severoles" is under agreement to export 30,000 standards of sawn timber to France during the current fiscal year, as compared with 8,000 last year.

Hitherto 70 per cent of Soviet timber exports have gone to England. Plans are under way to make the export trade more diffused.

Soviet Trade with Holland

During the past fiscal year Soviet imports from Holland amounted to \$18,182,500, while the exports to Holland totaled \$23,353,500. The principal items imported by the Soviet Union from Holland are groceries and wool. Grain products and timber are the main Soviet commodities exported to Holland.

Soviet Trade with the East

THE 1925 season of the Nizhni-Novgorod Fair was distinguished from previous seasons by the fact that groups of merchants from Turkey, Afghanistan, and Western China participated in it for the first time. In former years Persian merchants were the only Eastern group to take part.

In 1924 out of a total of 2,177 participating firms 347 were Eastern firms, 237 of the latter being foreign.

Of the 2,823 firms that took part in the 1925 session of the fair 476 were Eastern, including 274 foreign firms from the East.

Last year all of the 237 foreign firms from the East were Persian. This year there were 22 Turkish firms, 12 Chinese, 3 Afghan, 1 Mongolian, and 236 Persian.

Preliminary data, subject to readjustment and verification, indicated that the import trade turnover with all Eastern firms at the fair this year amounted to \$5,572,260, while the export trade amounted to \$1,447,380, these totals being dis-

tributed as follows amongst the merchant groups of the various Eastern countries:

Trade at Nizhni-Novgorod Fair

Country	Imports	Exports
Persia	\$3,877,020	\$ 909,840
Turkey	1,109,250	92,310
Afghanistan	369,240	369,240
Western China	67,830	65,790
Central China	142,290	—
Mongolia	6,630	10,200
Total 1925 season.....	\$5,572,260	\$1,447,380

In 1924 the entire turnover of Nizhni-Novgorod Fair trade with Eastern countries amounted to \$2,848,860 in imports and \$1,089,870 in exports, all of this business being with Persian merchants.

The business turnover with Eastern countries at the fair in 1925 surpassed the corresponding turnover for 1924 by about 78 per cent and constituted 9 per cent of the total business of approximately \$76,500,000 done at the Fair of 1925.

The business transacted at the Nizhni-Novgorod Fair with Persian merchants in 1925 amounted to 28 per cent of the total Soviet-Persian trade for the first half of the year.

The fair this year occasioned special interest and satisfaction to the Afghan and Western-Chinese merchants. The raw materials they brought in were very successfully sold, and varied assortments of Soviet goods were purchased in exchange. The Western-Chinese merchants expressed regret that they had not brought larger quantities of raw material and promised to come to the next session with considerably larger stocks. The Soviet products offered at the fair proved to be highly suitable to them both in quality and price.

It may accordingly be stated that the 1925 session of the Nizhni-Novgorod Fair was marked by a general expansion of business with the East and by the attraction of new regions to trade with the Soviet Union through this channel.

Activities of Russo-Turkish Trading Company

The "Russoturk" (Russo-Turkish Trading Company), a joint-stock company organized about a year ago with the combined participation of State and private capital, has been successful in developing export operations with the Near East. A considerable amount of foreign capital has been involved in the company's operations. Thus, the Deutsche Bank invested about \$1,000,000 in the activities of this trading organization during the past fiscal year.

In addition to this, the Russo-Turkish Trading Company has connections with the Perso-Turkish Bank and the private Egyptian banking house of Sovfra Freres, located in Constantinople. Lately the "Russoturk" has received a number of offers from private French banks for the financing of its operations.

During the expired fiscal year 1924-25 the organization's export business amounted to somewhat over \$4,000,000. One of its leading export items was cement, and it also handled considerable quantities of coal, caustic soda, and cocoons.

With regard to the exportation of coal, the Russo-Turkish Trading Company has succeeded in having the prohibitive duties imposed on Soviet coal by Greece altered, so that they are now the same as those imposed on British coal. Soviet steam coal is competing successfully with the British product. Its market price is fixed one shilling per ton below the best sort of Cardiff coal.

The export program of the Russo-Turkish Trading Company for the current fiscal year 1925-26 provides for a total business of approximately \$8,000,000, which is double the amount of the previous fiscal year's program.

Banks in the Soviet Union

THE total of the consolidated balance sheet of the State Bank and the six leading Soviet commercial banks (Industrial Bank, Bank for Foreign Trade, All-Russian Cooperative Bank, Moscow City Bank, Electro-Bank, and Central Asiatic Bank) showed a large increase for the month of August, advancing from the aggregate of 3,839,900,000 gold rubles on August 1 to 4,218,200,000 gold rubles on September 1, 1925, which represents a growth of 9.9 per cent.

Central Agricultural Bank in 1924-25

On October 22 a report on the activities of the Central Agricultural Bank during the expired fiscal year 1924-25 and the tasks of the institution during the new fiscal year 1925-26 was presented to a meeting of the Board of Directors. This report outlined the various links in the system of agricultural credit and described their financial and organizational growth during the past fiscal year.

The system of primary credit cooperatives, which embraced 5,353 credit cooperatives at the beginning of the fiscal year 1924-25, i. e., on October 1, 1924, had increased to 10,385 cooperatives by July 1, 1925. The growth of the resources at the disposal of the primary credit cooperatives is seen from the amount of their consolidated balance sheet, which totaled \$43,000,000 in round figures on October 1, 1924, \$60,000,000 on January 1, 1925, and \$99,000,000 on July 1, 1925. It was anticipated that the aggregate resources of the system of primary credit cooperatives would reach the sum of \$120,000,000 by October 1, 1925, the opening date of the new fiscal year.

The agricultural credit societies also grew in numbers and financial strength. On October 1, 1924, there were 56 such societies with 73 branches and 67 agencies; on October 1, 1925,

there were 62 societies with 73 branches and 64 agencies. The consolidated balance sheet total of the agricultural credit societies rose from \$41,000,000 on October 1, 1924, up to \$99,500,000 on July 1, 1925, and it was expected that the total would stand at \$120,000,000 on October 1, 1925.

At present the agricultural banks of the Constituent Republics are six in number. On October 1, 1924, their consolidated balance sheet total amounted to \$8,000,000; on July 1, 1925, it had risen to \$29,750,000, and it was anticipated that the total would be \$45,000,000 by October 1, 1925.

The Central Agricultural Bank of the Soviet Union began the fiscal year 1924-25 with a capital stock of \$7,500,000 and a balance sheet total of \$17,500,000. At the time the above-mentioned report was submitted preliminary calculations showed that the balance sheet total for October 1, 1925, would constitute about 89,000,000. The bank's capital stock now amounts to \$27,000,000, and it has \$35,000,000 in loans from the State Bank in addition to \$10,700,000 of special State capital which has been turned over to it.

Activities of Bank for Foreign Trade

The Bank for Foreign Trade began its activities on April 1, 1924. Up to that time Soviet Foreign trade had been financed by the Russian Commercial Bank, which was fused with the newly organized institution.

The original capital stock of the Bank for Foreign Trade amounted to 10,000,000 gold rubles (\$5,100,000), but the development of the Bank's operations soon demanded increased capital, so that its capital stock now aggregates \$20,400,000. The additional funds were brought together through subscriptions to capital stock by institutions interested in foreign trade and in foreign exchange operations.

Concurrently with the expansion of its own capital stock the bank increased its deposits and current accounts, which had not undergone any extensive development under the Russian Commercial Bank. On April 1, 1924, the amount on balance under deposits and current accounts was \$2,295,000, equivalent to 45 per cent of the bank's own capital resources. On September 1, 1925, after the lapse of 17 months, the balance under deposits and current accounts had increased to \$18,760,000.

The following figures illustrate the growth of the Bank for Foreign Trade during the period extending from April 1, 1924, to September 1, 1925:

Within the interval in question the bank's balance sheet total rose from \$15,200,000 up to \$70,000,000, representing an advance of 461 per cent, which is larger than analogous increases for other important Soviet banks, the balance sheet total of the Industrial Bank, for example, having aug-

mented 315 per cent, that of the Moscow City Bank 397 per cent, and that of the All-Russian Cooperative Bank 210 per cent. The total under loan and discount operations rose from \$5,712,000 up to \$42,500,000, constituting an advance of 744 per cent, as compared with corresponding advances of 361 per cent for the Industrial Bank, 546 per cent for the Moscow City Bank, and 182 per cent for the All-Russian Cooperative Bank. The paid up capital stock grew from \$5,100,000 to \$15,555,000, an increase of 305 per cent, as against similar increases of 241 per cent for the Industrial Bank, 240 per cent for the Moscow City Bank, and 159 per cent for the All-Russian Cooperative Bank. The amount on deposit and current account went up from \$2,295,000 to \$18,760,000, a rise of 817 per cent in comparison with like rises of 394 per cent for the Industrial Bank, 456 per cent for the Moscow City Bank, and 255 per cent for the All-Russian Cooperative Bank.

At the present time the Bank for Foreign Trade has domestic branches in Kharkov, Baku, Leningrad, Voronezh, Kiev, Odessa, Rostov-on-the-Don, Tiflis, and Novorossiysk.

A foreign branch under the bank's own name has been opened in Constantinople. The institution has also obtained a controlling block of the stock of the Russo-Persian Bank with headquarters at Teheran and branches in Kazvin, Resht, Meshed, and other Persian cities. In Paris stock has been acquired in the North-European Commercial Bank.

The Bank for Foreign Trade has correspondents in all the important centers of international trade.

The Bank for Foreign Trade is now receiving credits from a few American banks.

Growth of Moscow City Bank in 1924-25

During the past fiscal year 1924-25, ended September 30, 1925, the balance sheet total of the Moscow City Bank increased from 74,200,000 gold rubles up to 148,800,000 gold rubles, a raise of 100 per cent. The bank's capital increased over fourfold, from 7,200,000 gold rubles up to 31,100,000 gold rubles. The aggregate of ordinary deposits and deposits on current accounts rose by 70 per cent, from 55,500,000 gold rubles up to 94,000,000 gold rubles.

Activities of Russo-Persian Bank

According to information available early in October the condensed balance sheet total of the head office and branches of the Russo-Persian Bank more than doubled during the first ten months of the fiscal year 1924-25, rising from \$6,077,000 on October 1, 1924 to \$12,617,500 on August 1, 1925. The bank's loan and discount operations for the same period increased from \$2,533,000 to \$7,049,000. The paid up capital of the bank, in which the Bank for Foreign Trade of

the Soviet Union holds a controlling block of stock, stood at \$2,688,000 throughout the ten months. The total of the deposits and current accounts went up from \$1,721,000 to \$2,019,000. In addition to the funds attracted in the form of deposits the Russo-Persian Bank disposes of considerable credits with its correspondents.

The Russo-Persian Bank, whose main office is located in Teheran, has branches in all the principal commercial cities of Persia, such as Meshed, Barfrush, Tabriz, Resht, Hamadan and others, and it finances the operations of several "mixed companies" engaged in import trade in Persia, as well as those of a numerous Persian clientele. The bank supplies these companies with currency and finances the exportation of manufactured goods from the Soviet Union to Persia and the importation of Persian rice, dried fruits and other commodities into the Soviet Union. Besides this the Russo-Persian Bank conducts successful operations for the sale of Soviet chervonets currency on the Persian money market.

Budget and Currency

DURING the month of October a further increase was announced in the Federal budget of the Soviet Union for the fiscal year 1925-26, bringing its total up to 3,778,636,892 gold rubles (\$1,944,486,545). This represents a rise of about 900,000,000 gold rubles (\$463,140,000), or approximately one-third, over the Federal budget for the preceding fiscal year.

Income from State Industry and Trade

Preliminary data issued during the month of October covering income accruing to the Federal Treasury through deductions from net profits cleared by State industrial and trading enterprises of Federal scope during the fiscal year 1924-25, ended September 30, 1925, showed revenues of \$28,851,000 from State industry and \$6,885,000 from State trade, making a total of \$35,736,000, which is 14.1 per cent higher than the budget forecast for this category.

The various branches of state industry contributed as follows to the income total:

Industrial Branch	Income Contributed to Federal Treasury
Cotton Goods	\$14,949,000
Woolens	4,972,000
Food	2,376,000
Chemicals	2,223,000
Paper	1,240,000
Flax and Hemp	1,119,000
Metal	575,000
Petroleum	515,000
Other Branches	882,000
Total	\$28,851,000

Thus, more than half of the Treasury income from State industry was derived from the cotton goods branch.

The revenues from State trade were made up as follows:

Type of Trading Organization	Income Contributed to Federal Treasury
Joint-Stock Companies	\$4,137,000
Syndicates	2,658,000
Individual Enterprises	90,000
Total.....	\$6,885,000

The above table shows that the joint-stock State trading companies contributed 60 per cent of the Treasury revenues from this source. The syndicates contributed 38.6 per cent, and only 1.4 per cent came from the individual enterprises operated on a strict accounting basis.

Chervonets Quoted on Foreign Markets

When the new trade agreement was concluded between Germany and the Soviet Union German commercial and industrial circles raised the question of quoting the chervonets on the Berlin Exchange. In this connection the People's Commissariat for Finances of the Soviet Union pointed out that the chervonets was already being quoted in Latvia, Italy, Esthonia, Lithuania, Turkey, China, Persia, and Mongolia. During the first ten days of October chervonets quotations, based upon its gold parity as compared with the United States dollar, ranged from 9.92 rubles in Persia to 10.097 rubles in Shanghai. On October 8 the chervonets stood at 10.4 rubles in Rome, and on October 6 it was quoted at 10.044 rubles in Kovno (Lithuania).

Currency in Circulation on October 1

The currency circulating in the Soviet Union on October 1, amounted to 1,142,884,700 gold rubles (\$588,128,000), having advanced 127,319,600 gold rubles, or 12.5 per cent, over the volume of currency in circulation on September 1. During the fiscal year included between October 1, 1924, and October 1, 1925, the volume of Soviet currency in circulation has increased by about 527,710,000 gold rubles. The par value of the ruble is \$0.5146. During the past months it has been consistently quoted slightly above par on European exchanges, the quotations averaging about \$0.515.

The October 1 circulation was made up of the following classes of currency:

Class of Currency	Amount in Gold Rubles
Bank notes of State Bank.....	651,969,500
Treasury bills	340,550,200
Silver coin	136,114,000
Copper coin	6,806,900
Small change paper tokens	7,444,100
Total	1,142,884,700

Soviet Railway System 1924-25

THE following details concerning the results of Soviet railroad operation during the fiscal year extending from October 1, 1924, to September 30, 1925, are taken from an interview given to the Russian press around October 15 by Mr. U. V. Rudy, Member of the Collegium of the People's Commissariat for Transports.

The planning departments had forecast the freight traffic for the fiscal year at 24,797,814,000 metric ton-miles, but the actual performance was 29,945,355,000 metric ton-miles, surpassing the program figure by 20.8 per cent and the previous fiscal year's total by 41.9 per cent.

Passenger traffic on the Soviet railroads during the fiscal year 1924-25 aggregated 11,684,000,000 passenger-miles, which is 5.5 per cent above the program quota and 21.1 per cent more than the total for the preceding fiscal year.

The average employed capacity of railway freight cars is increasing. During the fiscal year 1924-25 it averaged about 9,180 lbs. per car, as against 8,640 for the previous year, this progress being due to improvements in loading.

The number of freight cars in use during the fiscal period was 251,186, an increase of 6.9 per cent over the foregoing fiscal year.

The passenger cars in operation during 1924-25 totaled 10,359, which represents a rise of 17.3 per cent over 1923-24 in conjunction with an increase of 21.1 per cent in passenger traffic, as above mentioned. This testifies to the fact that the utilization of passenger cars in good order was pushed to the utmost.

It is not uninteresting to observe that, as was the case with the previous fiscal year, the past fiscal year 1924-25 showed a considerable annual increase in the number of suburban trains, the growth for the year having attained the record proportions of 30 per cent. The pronounced expansion of traffic to health resorts also compelled the Commissariat for Transports to have recourse to a substantial addition to the number of trains. Thus, six pairs of through trains were placed in service between Moscow and Sebastopol and four pairs between Moscow and the Caucasus.

Extensive results were achieved in the repair of rolling stock. For example, the program for major repairs to locomotives was fulfilled 100 per cent. Altogether 1,449 locomotives were repaired an increase of 113 locomotives, or 8 per cent, over the previous year's performance. Moderate repairs were made on 6,300 locomotives, representing an advance of 35 per cent over the figure for the foregoing fiscal year.

During the fiscal year 1925-26 it is planned to perform major repairs, including reconstruction, on 2,200 locomotives, i. e., 50 per cent more than in 1924-25.

In the case of passenger rolling stock major and moderate repairs were made on 2,775 cars, which is equivalent to 100 per cent of the program for the fiscal year and an increase of 23 per cent over the performance for 1923-24.

In the freight department the program called for the repair of 142,000 cars. The quota was accomplished to the extent of 98 per cent, and the small deficiency is to be made up during the early months of the new fiscal year 1925-26.

On the whole the campaign to prepare the rolling stock for increased traffic proceeded successfully. In fact, while the roads were required to bring their usable car stock up to a total of 344,000 units by October 1, 1925, at the time of writing the effective rolling stock had reached 354,000 units. This result was partly due to the execution of minor repairs.

The program for the current fiscal year calls for 164,488 cars to be given to a general overhauling or to be restored to operation. This will represent an increase of 15 per cent over the past fiscal year.

The delivery of new locomotives to the Soviet railroads from abroad was completed during the expired fiscal year. The number received in 1924-25 was 73, as compared with 147 the preceding year.

The above-mentioned achievements in the repair of rolling stock in the Soviet railroad shops were effected through the intensified utilization of the repair facilities at the disposal of the transportation system.

The foregoing brief account shows that the Soviet railroads made considerable progress during 1924-25 as the result of more efficient operation.

First Anniversary of Soviet-Chinese Administration of Chinese-Eastern Railroad

October 3, 1925, was the first anniversary of the new Soviet-Chinese administration of the Chinese-Eastern Railroad. At a meeting of the workers and clerks employed in the railway shops Mr. Ivanov, the Manager of the road, presented a report on the results of the railroad activities during the foregoing year. He stated that the financial condition of the railway was splendid. Upon assuming its duties the new management received an empty treasury and accounts receivable amounting to 10,000,000 gold rubles. The Road now has 7,000,000 gold rubles in cash and has collected all sums due, except the hopelessly bad debts. During the course of the expired year extensive construction work was carried out. Several new schools, a station building, and living quarters for the conductors' force were built. Mutual understanding and friendly relations have been established between the railway administration and the rank and file of workers and clerks. During the forthcoming year the administration

will continue to exert every effort to create wholesome cultural surroundings for the railroad workers. Simultaneously with the celebration of the anniversary a new railway station and central railroad library were opened in Kharbin.

Soviet-Japanese Railroad Conference

After several months of preliminary work the Soviet-Japanese Railway Conference opened in Moscow during the early part of October. It is the object of the conference to establish a basis for direct rail communication between Japan and the Soviet Union and western Europe. Vladivostok, Dairen, and Fusan, a Korean port, have been adjudged to be three suitable terminal points on the Pacific coast. This direct route will reduce the time required for a passenger trip between Japan and Europe from 50 days to 16. A one-way ticket will cost about £25.

It is also proposed to establish direct freight traffic between Japan, the Soviet Union and Western Europe (across Siberia), on the basis of the Bern Convention with certain changes due to the participation of marine enterprises in the route. The ocean part of the route will be served by the vessels of the Soviet Merchant Fleet and the Japanese steamship companies.

New Railroad Built in Siberia

The Achinsk-Minusinsk Railroad in Siberia has been completed. Late October advices stated that it was planned to inaugurate regular service on November 7. Freight traffic for the road is assured, and during the current year the line will be called upon to transport 60,000 metric tons of grain.

The construction of this railroad will play a large part in promoting the economic life of the Minusinsk area, which is still in the primary stage of its development despite the fact that it is one of the richest regions in Siberia and possesses extensive deposits of high-grade coal, iron ore, copper, gold and other mineral wealth. The new railway is 300 kilometers long. It is one of the links binding the Trans-Siberian Railroad with the projected South Siberian Railroad.

Health Resorts in the U.S.S.R.

THE All-Russian Congress of Health Resorts was the first of its kind since the November Revolution and was held from August 27 to September 2 at Pyatigorsk, a famous mineral spring health resort in the Caucasus.

The congress attracted a great number of specialists in the different fields of the study of health resorts. Besides doctors and professors of medicine there were physicists, meteorologists, geologists, biologists, hydro-therapeutists, civil engineers and representatives of all government departments closely connected with the work.

Over 500 people from all parts of the U.S.S.R. attended the congress. The People's Commissar for Public Health, Dr. N. A. Semashko, was nominated Honorary Chairman of the congress.

As there were about 250 reports on the program dealing with the most varied phases of the subject, the congress had to be divided into four sections: (1) Administration and Social Aspects; (2) Balneology; (3) Climatology; (4) Improvement of Health Resorts.

The first section worked out a far-reaching plan for the thoroughgoing study of health resorts, correct methods for the separation and classification of patients at such resorts, and the problem of occupational diseases with which workers and peasants come to these resorts.

The section on balneology heard reports on the results of mineral baths as observed by follow-up clinics and experimental stations, took up the question of the regeneration accomplished by mud baths, and worked out a method whereby it hopes to study the problems of the influence of carbon-dioxide and sulphur baths on the human organism.

Physicists and meteorologists discussed the influence of climate and the correlation of air and sun in treatment, and clinicians brought encouragement to the helio-therapists by citing favorable results in their reports on the observation of many cases, particularly those of tuberculosis.

In the section on the improvement of health resorts a plan was worked out for the best methods of health resort sanitation and planning. The question of how closely health resorts were connected with child welfare in acting as a preventive measure against disease was put before the congress.

Among the many health resorts all over the Soviet Union,* especially in the Caucasus, the Crimea and Trans-Baikalia, there are several which have been transformed or newly opened and arranged as sanatoriums for special groups of the population.

One of the groups which the Government takes care of are the scientists for whom the following sanatoriums have been opened: one at Kislovodsk in the Caucasus with room for 400 to 450 patients a year; one in the Crimea with room for 420 to 450 patients a year; two in the vicinity of Moscow with a capacity of 1,000 to 1,100; and two near Leningrad with a capacity of 700. Thirty per cent of the total number of persons admitted to these sanatoriums do not pay anything for the privilege; 20 per cent of them pay only 30 per cent of the regular fee and 20 per cent pay 50 per cent of the fee, while the remaining 30 per cent pay the full amount.

*In 1923 there were about 80,000 patients in all the health resorts and the Government is making great efforts to increase this number considerably.

To be admitted to one of these sanatoriums one must be registered as a scientist, which is done by special committees established in all the colleges and universities consisting of professors of high scientific standing. The final decision on the qualification of the applicant rests with the Central Committee of Experts in Moscow.

All the scientists are classified in six different groups according to the recognized value of their scientific works already published and appraised by special judges, who are themselves experts in the subjects of the works in question.

Another group for whom the government has opened special sanatoriums are the peasants. One large sanatorium was opened last summer on the estate of the former Tsar in Livadia in the Crimea. To get an idea of the scope of this enterprise one must know that it occupies an area of approximately 1,000 acres, about one-half of which constitutes a park. There are two palaces and a number of other buildings. All the houses including the imperial palaces are being used for the patients.

Soviet Participation in International Hygiene Bureau

The Soviet Government has decided to subscribe in the name of the Union of Socialist Soviet Republics to the international agreement signed at Rome in 1907 with regard to the foundation of an International Bureau of Public Hygiene, and also to the International Sanitation Convention signed at Paris in 1912.

At the same time the Soviet Government decided to share in the expenses for the maintenance of the International Bureau of Public Hygiene.

PAMPHLETS

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Cultural Life in the Soviet Union

Moscow Theatrical Season in 1925-26

DURING the current season there will be up to forty theaters active in Moscow, not counting the visiting road troupes.

A large number of new stagings promises to make the season a very interesting one.

The Great Academic Opera and Ballet Theater is putting on "The Decembrists," an opera composed by Zolotarev. The music and the libretto, written on the basis of historical data, have been enthusiastically received by the Moscow critics. The first performance has been set to coincide with the hundredth anniversary of the Decembrist Revolt during the last month of this year. In addition to repeating the operas given last season, such as *The Queen of Spades*, *Eugene Onegin*, *Prince Igor*, *Sadko*, *Lohengrin*, *Aida*, and others, it is planned to give a revival of *Siegfried*. During the second half of the season the opera *Distant Chimes* will be staged by the composer Schrecker, who is now in Leningrad at work on its staging.

The theater's ballet plans are also interesting. After giving *Joseph the Handsome* (music by Vasilenko), which achieved a great success, ballet master Goleizovsky has been commissioned to stage "Lalo" and "Don Quixote," which are satires on the old ballet.

The Little Academic Dramatic Theater which celebrated its hundredth anniversary last season, will include in its repertoire this season, besides a number of classics by Ostrovsky, Schiller and Shakespeare, some modern plays that will deal with problems of social significance. Foremost among the latter may be placed "Zagmuk," a play by the young dramatist Glebov, drawn from the life of ancient Babylon. Toward the end of October the theater was given the first showing of the "Arakcheyevshchina," written by a manager of the theater, Platon, around a theme based upon historical documents. Arakcheyev, an irresponsible potentate in the times of Tsar Alexander I, in the beginning of the nineteenth century, distinguished himself by his cruelty and despotism. In addition to the old pieces, the theater will stage the "Cathedral of Notre Dame de Paris," the "Mistress of the Inn," by Goldoni, and the "Narkom's" Brother (i. e., the Commissar's Brother), a travesty on Soviet life written by the dramatist Lerner.

The First Academic Art Theater, besides reproducing last year's stagings of "The Inspector General" by Gogol, "The Lower Depths" by Maxim Gorki, "Tsar Fedor Ioannovich," by A. Tolstoy, "Misfortune from Intelligence," by Griboyedov, and others, will also give "Prometheus" of Aeschylus. This will be followed by "Pugachevshchina" (the Revolt of Pugachev) a play by the modern dramatist Trenyev repre-

senting the elemental peasant revolt from an historical point of view.

The Second Academic Art Theater, in addition to presenting last year's stagings of the "Taming of the Shrew," the "Deluge," the "Cricket on the Hearth," "The Golden Book of Love," by A. Tolstoy, "Hamlet," and the "Flea," two plays which have aroused intense interest and the serious comment of the critics, will give "Oresteia" (Aeschylus) during the current season, as well as a play by Andrey Bely, entitled "Petersburg," which has been revised for the stage.

The Musical Study of the Academic Art Theater has left for a starring tour in Europe and America, where it will give its presentations of the "Daughter of Mme. Angot," "Pericles," "Lysistrata," and "Carmen."

The Moscow Dramatic Theater (formerly Korsh Theater) will show a number of plays chronicling the history of the Revolution.

The Chamber Theater ("Kamerny Theater") has passed through a considerable evolution in the direction of realism. The first new play to be staged by this theater will be "The Hairy Ape," by Eugene O'Neill. Later the Chamber Theater plans to stage "Anthony and Cleopatra."

Meyerhold's Theater will give the following new plays: "The Mandate" by Erdmann, which is a satire on the distortion of Soviet life, "Golden Paunch" by Crommelynck, and the immortal "Inspector General" by Gogol with the restoration of the lines cut out by the Tsarist censorship. These will be followed by "Hamlet," the staging of which is provoking immense interest on account of the particularly original treatment. In addition a new play will be presented entitled "Roar, China!" whose author, Tretyakov, recently returned from China and deals with the Chinese situation in his drama. The first production of the Experimental Laboratory of the Kamerny Theater will be a staging of Bizet's "Carmen" on the basis of an entirely new libretto.

The Theater of the Revolution (founded in 1920), which is headed by Mme. O. D. Kamenev and belongs to the Meyerhold school, assumes the task of creating a new revolutionary repertoire and nurturing the new actor. Besides the plays that were successful last year, this theater is staging "The Man in the Cage," which is a satire on the Western bourgeoisie by Fegerzak, and "Meeting the Dawn," a play by Romashev treating the question of women in public life.

Mention must be made of the Semperante Theater, the first theater of improvisation in the Soviet Union. This theater is conducted by the method of collective improvisation, wherein the actors are at once performers and stage-managers. Despite its youth (the institution was established toward the end of 1920) this theater already en-

joys a well deserved reputation. Its plays, being constantly revised, never lose their charm of novelty and up-to-date character.

The Theater of Satire, which has hitherto staged political and social "reviews" will turn to satiric comedy during the current season.

The State Jewish Theater has postponed its foreign tour until next spring. Apart from the revival of "Two Hundred Thousand," this theater promises to stage another play.

The Children's Theater is also staging a number of new plays for children.

Periodicals on Medicine, Hygiene and Sanitation

THE following is a list of the various periodicals on medicine, hygiene, sanitation and kindred subjects, published in the Soviet Union:

- All-Russian Pharmaceutical Herald. (Vserossisky Farmatzevtichesky Vestnik), Moscow.
- Archive of Biology. (Arkhiv Biologicheskikh Nauk), Leningrad.
- Archive of Clinical and Experimental Medicine. (Arkhiv Klinicheskoi i Eksperimentalnoi Meditsiny), Moscow.
- Archive of Therapeutics. (Terapevtichesky Arkhiv), Moscow.
- Bulletin of the Commissariat of Public Health. (Bulletin Narodnovo Kommissariata Zdravookhraneniya), Moscow.
- Bulletin of the Department of Public Health of the City of Leningrad. (Bulletin Leningradskavo Gubzdravotdela).
- Bulletin of the Central Committee of the Union of Medical Workers. (Bulletin C. K. Medsantrud), Moscow.
- Bulletin of the Statistics of the Central Bureau of the Census of the Ukraine. (Sanitarno-Statisticheskyy Bulletin Ukrainy), Kharkov.
- Bulletin of the Physicians of the South Ussuri District. (Izvestia Vrachei Yuzhno-Ussuriiskogo Kraia), Vladivostok.
- Chemico-Pharmaceutical Journal. (Khimiko-Farmatzevticheskii Zhurnal), Moscow.
- Clinical Medicine. (Klinicheskaya Meditsina), Moscow.
- Contemporary Medicine. (Sovremennaya Meditsina), Odessa.
- Ear and Nose Monthly. (Jurnal Ushnykh i Nosovykh Boleznei), Ekaterinoslav.
- Gynecology and Obstetrics. (Gynicologia i Akusherstvo), Moscow.
- Health News published by the Commissariat of Public Health. (Izvestia Narkomzdrava), Moscow.
- Health Resorts. (Kurortnoye Delo), Moscow.
- Herald of the Department of Public Health. (Saratovskyy Vestnik Zdravookhraneniya), aratov.
- Herald of Contemporary Medicine. (Vestnik Sovremennoi Meditsiny), Moscow.
- Herald of the Department of Public Health of Voronezh. (Voronezhskyy Vestnik Zdravookhraneniya).
- Herald of the Department of Public Health of the Bashkir Republic. (Vestnik Bashkirskago Narkomzdrava), Ufa.
- Herald of the Department of Public Health of the Republic of Georgia. (Vestnik Narkomzdrava Gruzyi), Tiflis.
- Journal of Research on Pre-School Children. (Zhurnal po Izucheniyu Rannevo Detskovo Vozrasta), Moscow.
- Medical Herald of the District of Kuban. (Kubansky Nauchno-Meditsinsky Vetsnik), Krasnodar.
- Medical Journal of Irkutsk. (Irkutskyy Meditsinsky Zhurnal), Irkutsk, Siberia.
- Medical Journal of Kazan. (Kazansky Meditsinsky Zhurnal).
- Medical Journal of Perm. (Permsky Meditsinsky Zhurnal).
- Medical Journal of Siberia. (Sibirskyy Meditsinsky Zhurnal), Novonikolayevsk.
- Medical Journal of Turkestan. (Turkestansky Meditsinsky Zhurnal), Tashkent.
- Medical Thought. (Meditsinskaya Mysl), Rostov-on-Don.
- Medical Thought of White Russia. (Belorusskaya Meditsinskaya Mysl).
- Medical Review of Lower Volga. (Meditsinskoye Obzrenye Nizhnevo Povolzhya), Astrakhan.
- Medical Work. (Vrachebnoye Delo), Kharkov.
- Medical Worker. (Meditsinsky Rabotnik), Moscow.
- Moscow Medical Journal. (Moskovskyy Meditsinsky Zhurnal).
- Herald of Public Health of Kirghizia. (Vestnik Zdravookhraneniya Kirgizyi), Orenburg.
- Herald of the Public Health of the South-Eastern Provinces. (Yugo-vostochnyy Vestnik Zdravookhraneniya), Rostov-on-Don.
- Herald of Microbiology. (Vestnik Mikrobiologii), Saratov.
- Herald of Roentgenology and Radiology. (Vestnik Rentgenologii i Radiologii), Leningrad.
- Hygiene and Epidemiology. (Gigiena i Epidemologia), Moscow.
- Hygiene of Labor. (Gigiena Truda), Moscow.
- Journal of the Medical Institute and the Public Health Service of Ekaterinoslav. (Ekaterinoslavskyy Meditsinsky Zhurnal).
- Journal for Military Surgeons. (Voyenno-Sanitarnyy Sbornik), Moscow.
- Journal of Obstetrics and Gynecology. (Zhurnal Akusherstva i Zhenskikh Boleznei), Leningrad.
- Journal of Odontology and Stomatology. (Zhurnal Odontologii i Stomatologii), Moscow.
- Journal of the Physicians Institute of Post-Graduate Work. (Zhurnal dlia Usovershenstvovaniya Vrachei), Leningrad.
- New Archive of Surgery. (Novyy Khirurgicheskyy Arkhiv), Ekaterinoslav.
- Physicians Daily. (Vrachebnaya Gazeta), Leningrad.
- Practical Medicine. (Prakticheskaya Meditsina), Leningrad.
- Preventive Medicine. (Profilakticheskaya Meditsina), Kharkov.
- Problems of Labor. (Voprosy Truda), Moscow.
- Problems of Tuberculosis. (Voprosy Tuberkuloza), Moscow.
- Road to Health (popular magazine on health problems). (Put k Zdoroviu), Kharkov.
- Russian Oto-Laryngology. (Russkaya Oto-laringologia), Leningrad.
- Russian Clinic. (Russkaya Klinika), Moscow.
- Russian Journal of Eugenics. (Russky Evgenicheskyy Zhurnal), Moscow.
- Urology. (Urologia).
- Venerology and Dermatology. (Venerologia i Dermatologia), Moscow.
- Vital Statistics of the Ukraine. (Statisticheskyy Vestnik Z. S. U.), Kharkov.

Miscellaneous News

Population of the Soviet Union

The latest census of the population inhabiting the territories of the Soviet Union was taken in August 1920. The figures established at that time have now been adjusted up to January 1, 1925, and show a total population of 139,760,500 for the entire Soviet Union. Of this total 67,235,800 are males and 72,524,700 females. The urban population is made up of 11,051,600 males and 11,824,700 females, while the rural population consists of 56,184,200 males and 60,700,000 females.

The above-mentioned population total is distributed as follows among the six Constituent Republics and their main subdivisions, viz. R.S.F.S.R. (Soviet Russia proper including also most of the Asiatic territory), the Ukrainian Soviet Republic, the White Russian Soviet Republic, the Transcaucasian Soviet Federation (consisting of Georgia, Armenia and Azerbaijan), the Turkoman Soviet Republic (Turkmenistan) and the Uzbek Soviet Republic (Uzbekistan) with its subdivision, the Tajik Autonomous Soviet Republic (Tajikistan):

Distribution of Population

	Total	Rural	Urban	Density Per Sq. Kilometer
R.S.F.S.R.:	96,559,600	81,401,000	15,158,600	4.8
European Russia ¹	70,335,800	58,914,600	11,421,200	14.5
Crimea	579,300	323,800	255,500	23.9
North Caucasus	8,394,700	6,888,500	1,506,200	24.7
Siberia ²	8,497,300	7,535,400	961,900	1.8
Yakutia	285,300	274,600	10,700	0.1
Kazakistan	6,802,400	6,159,200	643,200	2.1
Far Eastern Region	1,664,800	1,304,900	359,900	0.6
White Russia	4,204,500	3,525,500	679,000	38.3
Ukraine	27,857,200	22,819,400	5,037,800	60.8
Transcaucasia: . . .	5,421,000	4,270,100	1,150,900	28.1
Azerbaijan	2,006,800	1,515,000	491,800	23.6
Armenian	921,400	774,700	146,700	25.6
Georgian	2,492,800	1,980,400	512,400	34.6
Turkmenistan	914,600	805,600	109,000	1.9
Uzbek Republic: . . .	4,803,600	4,062,600	741,000	14.9
Uzbekistan	4,058,400	3,341,900	716,500	21.7
Tajikistan	745,200	720,700	24,500	5.5
Total for U.S.S.R.	139,760,500	116,884,200	22,876,300	6.4

¹The European territory of the Soviet Union except White Russia, the Ukraine, the Crimea, the Northern Caucasus and Transcaucasia.

²The Asiatic territory of the Soviet Union except the Yakut Republic, the Far Eastern Region, the former Kirghiz Republic (Kazakistan) and former Turkestan (out of whose territory the Uzbek Republic, the Turkoman Republic and partly Kazakistan, have been formed.)

Chinese Consulates in the Soviet Union

Early in October a Chinese consulate general was opened in Semipalatinsk in Siberia. Before this there were already seven Chinese consulates on the territory of the Soviet Union. Of these four were general consulates in the cities of Vladivostok, Blagoveshchensk, Chita, and Khabarovsk, while there were three ordinary consulates in Nikolsk-Ussuriysk, Troitskosavsk, and Nikolayevsk-on-the-Amur.

There are 19 Soviet consulates in China. Five of them are general consulates in Peking, Harbin, Shanghai, Mukden, and Urumchi (western China). There are ordinary Soviet consulates in the following fourteen cities: Hankow, Manchuria, Pogradichnaya Station, Sakhalyan, Tsitsihar, Chefoo, Hailar, Canton, Kalgan, Tientsin, and, in western China, Kashgar, Kulja, Chuguchak, and Shara-Sume.

Changes in Soviet Diplomatic Service

On October 30, 1925, the Presidium of the Central Executive Committee of the Soviet Union made the following changes in the country's diplomatic service:

Mr. Leonid B. Krassin was transferred from his post of Plenipotentiary Representative of the Soviet Union in France to the same position in England.

Mr. Christian G. Rakovsky was relieved of his duties as Plenipotentiary Representative of the Soviet Union in England and appointed to the same diplomatic post in France.

Mr. Leo M. Karakhan was appointed Third Acting People's Commissar for Foreign Affairs.

The Orthodox Church in the U.S.S.R.

The Third All-Russian Convention of the Orthodox Russian Church opened at Moscow on October 1 with an attendance of 380 church delegates from all the eparchies of the Soviet Union. As the result of seven days of conferences the Council revealed the marked predominance of the synodic group, the monarchist tendencies of the "Tikhonists" being swept aside in favor of the principle of a loyal attitude toward the Soviet Regime with the conservation of freedom of religious life.

At the present time the synodic group of churchmen, of the so-called "Living Church" embraces up to two hundred bishops and 17,000 priests and deacons. It is headed by Alexander Vvedensky, the Metropolitan of Moscow, and has two higher religious schools—the Theological Academy in Moscow and the Theological Institute in Leningrad with a combined enrolment of 200. In

addition to this there are "pastoral schools" in Vologda, Kursk and other cities, supported by voluntary contributions of church members.

As the conferences showed, the material situation of the clergy has improved considerably of late. Besides receiving voluntary contributions from the Orthodox congregations for the support of the clergy, most of the "Living Church" priests are engaged in various occupations. In the rural regions they engage in farming, live-stock raising and other country occupations, while in the cities and other large centers they earn a living in various lines of work, as many of these priests have special training, including in their ranks professors, physicians, men skilled in the mechanical trades, and so forth.

In the words of A. Vvedensky, the Third All-Russian Convention of the Orthodox Church brought a complete victory to the purely church elements in the Orthodox Russian Church and will lead to the elimination of the unwholesome monarchical tendencies of the "Tikhonists."

Radio in the Soviet Union

Three American firms, along with the principal German and Dutch manufacturers of radio apparatus, participated in the Radio Exhibition recently opened in Moscow. The American exhibitors were the Radio Corporation of America, the Manhattan Electrical Supply Company and the Corning Glass Works, their exhibits being entered through the agency of the Amtorg Trading Corporation of New York City.

The Radio Corporation's 20-watt transmitter for 200-meter waves has attracted great interest among the Russian radio fans who swarmed to the Exhibition.

As a result of the bumper harvest in the Soviet Union the demand for radio sets is increasing rapidly in the rural districts. The number of radio fans in the provinces has grown to such proportions that six new powerful transmission stations will be built in the provincial cities of Kharkov, Ekaterinoslav, Sverdlovsk, Rostov-on-Don, Astrakhan and Petrozavodsk. Equipment for the new stations has already been completed at the Lenin-grad works of the Federal Low-Current Trust.

Traffic at Odessa Port

During the fiscal year 1924-25 the port of Odessa was visited by 6,367 vessels, of which 403 were foreign craft.

The foreign vessels brought in 213,100 metric tons of cargo, chiefly tractors, agricultural machinery, sugar, and leather.

The exports from Odessa port for the same fiscal period totaled 160,000 metric tons of various cargoes, principally grain, timber, and live-stock.

New Produce Exchange Law

During the early part of October the Federal Central Executive Committee of the Soviet Union approved a new produce exchange law.

This new legislation recognizes all the functions that are exercised by produce exchanges at the present time. Produce exchanges are defined as organizations of trading enterprises and persons with the following aims: (a) the arrangement of periodic gatherings of traders for the consummation of trading transactions; (b) the announcement of commodity prices and of bids and offers of goods; (c) the study, systematization and facilitation of the turnover of trade and of the operations connected therewith; (d) the representation of the needs and interests of trade; (e) the mediatory settlement of disputes concerning trading transactions registered on the exchange.

The new law contains a definition of a produce exchange transaction. An exchange transaction is now recognized to be one fulfilling the following aggregate of conditions: (a) it must represent a wholesale purchase or sale (including contract for supply) of goods, an exchange of goods, a wholesale order, or an agreement for the shipment of goods; (b) the parties to the transaction must be members of the exchange or regular or occasional visitors; and (c) the transaction must be declared for registration in due time at the exchange session.

The law confers official standing upon produce exchange brokers. Among their duties are the execution of commissions entrusted to them by members of the exchange and by visitors, the keeping of brokers' records, and the presentation of transactions effected by them for registration at the exchange session. Exchange brokers are forbidden to enter into combinations with other brokers, to register transactions in which they did not directly participate, to close any transactions for their own account personally or through representatives within or without the exchange, or to participate in the various trading and trading industrial enterprises as full partners, investors, shareholders, or stockholders.

The law strengthens the produce exchange arbitration commissions and defines the limits of their competency. Within the latter falls the settlement of disputes connected with exchange transactions, with the execution of traders' orders by exchange brokers, and with external transactions registered with the exchange. In the case of the last category submission of the dispute to the exchange arbitration commission is contingent upon the consent of both parties to the transaction. The decisions handed down by the exchange arbitration commission with respect to disputes arising out of exchange transactions are binding, and appeal to the general courts can be made only with the consent of both parties to the controversy.

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Technical Achievements of Soviet Industry

Eight Years of Economic Progress

Textile Industry of the Soviet Union

The Transcaucasian Soviet Federation

Federal Soviet Budget for 1925-26

Rykov on Foreign Relations of Soviet Union

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RUSSIAN REVIEW

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Federal Soviet Budget for 1925-26

A SESSION of the Federal Council of People's Commissars, held November 10 under the chairmanship of Mr. A. I. Rykov, Chairman of the Council of People's Commissars, was devoted to a general consideration of the Federal budget of the Union of Soviet Socialist Republics for the fiscal year extending from October 1, 1925 to October 1, 1926.

In presenting an extensive report Mr. Reingold, Member of the Collegium of the People's Commissariat for Finances of the U. S. S. R., stated that the Federal budget elaborated by the Commissariat for the fiscal year 1925-26 is the country's first firm annual budget. It is distinguished from the Federal budget for 1924-25 by the fact that all appropriations designated in it are firmly assured. In this regard the People's Commissariat for Finances had to display great accuracy and care in drawing up the budget.

The elements and premises for the construction of such a firm budget were already at hand. This is evident from the execution of the expired year's Federal budget, which was fulfilled to almost 100 per cent. The revenue deficiencies for 1924-25 were insignificant.

In the single Federal budget of the Soviet Union for 1925-26 the ordinary revenues are forecast at \$1,864,300,000 and the extraordinary revenues at \$81,370,000, while the ordinary expenditures are placed at \$1,698,470,000 and the extraordinary expenditures at \$247,200,000.

The aggregate sum of ordinary and extraordinary revenues is made up of the following budgetary income sources: General Federal revenues—\$1,530,786,000; revenues from Russian Socialist Federated Soviet Republic (Soviet Russia proper)—\$289,172,500; from Ukrainian Soviet Socialist Republic—\$79,928,000; from White Russian Soviet Socialist Republic—\$12,051,000; from Transcaucasian Soviet Federation (Georgia, Armenia and Azerbaijan)—\$22,299,500; from Turkoman Soviet Socialist Republic—\$2,111,500; and from Uzbek Soviet Socialist Republic—\$9,630,500.

The total national expenditures are distributed as follows among the various component budgets: General Federal expenditures—\$1,511,988,500; expenditures by Russian Socialist Federated Soviet Republic—\$288,709,000; by Ukrainian Soviet Socialist Republic—\$79,928,000; by White Russian Soviet Socialist Republic—\$15,501,500; by Transcaucasian Soviet Federation—\$28,737,000; by Turkoman Soviet Socialist Republic—\$5,356,000; and by Uzbek Soviet Socialist Republic—\$16,171,000.

A comparison of the preceding sets of figures shows that among the individual budgets of the Constituent Republics only those of the Russian Socialist Federated Soviet Republic (i. e., Soviet Russia proper) and the Ukrainian Soviet Socialist Republic have no deficit at all, while the budgets of the other Constituent Republics reveal a certain insufficiency of revenue, which is covered by means of Federal resources.

The aggregate national tax revenues of the Soviet Union for the fiscal year 1925-26 are reckoned at \$293,029,335 under the head of direct taxes, \$502,640,000 under indirect taxes, and \$77,353,000 under duties, thus making a total income of \$873,022,335 from taxation.

Revenues from other than tax sources are calculated at the sum of \$991,375,000, while extraordinary income is placed at \$81,434,375.

Upon comparing the revenue section of the Federal budget for 1925-26 with the executed budget for 1924-25, it is seen that the aggregate tax revenues included under the ordinary division of the budget are to be increased by \$200,695,500, or 29.8 per cent.

Large increases are indicated under the various categories of revenues from other than tax sources. These increases as a whole amount to \$328,776,000, or 49.6 per cent.

With regard to revenues from extraordinary sources, these show a decrease of 38.3 per cent in the aggregate. This diminution is due to the fact that the item of income in the form of loans from the State gold fund has been eliminated from the budget for 1925-26, and also to the fact that the revenue from the coinage of silver and copper money has been decreased from \$41,200,000 in 1924-25 to \$15,450,000 in 1925-26 and the amount of the domestic loans to be floated has been reduced from \$62,109,000 to \$51,500,000. In conjunction with this the revenue from the sale of State property is to be increased by 35.7 per cent.

With reference to the relative importance of the different income divisions of the budget, it should be observed that the ordinary revenues constitute 95.8 per cent of the total for the fiscal year 1925-26, the income from tax sources constituting 46.8 per cent and income from other than tax sources 53.2 per cent of the aggregate ordinary revenues. These percentage ratios of the revenue divisions of the Federal budget point to further strides along the road to a perfectly sound budget economy. In 1924-25 the percentages corresponding to the foregoing were 91, 49.5, and 50.4 respectively.

The aggregate sum of revenues indicated in the budget for 1925-26 surpasses the total budget revenue receipts in 1924-25 by \$478,589,500, or 32.6 per cent.

Turning to the tendencies displayed by the Soviet budget, the figures show that indirect imposts, especially excises, are beginning to occupy a continuously larger place in the budget. This year the jump is particularly marked, owing to the increased consumption of articles subject to excise taxes. Thus, for example, the program of the sugar industry for the current fiscal year implies the consumption of sugar by the population on a scale almost equal to that of pre-war times.

As regards the per capita tax assessment, Mr. Reingold declared that before the war the tax burden was approximately \$6.00 in direct and indirect imposts. Figuring out the average for Soviet taxation, it is found that the present per capita assessment is about half of the above, or approximately \$3.00.

The aggregate ordinary expenditures of the Soviet Union for the fiscal year 1925-26 are reckoned at the sum of \$1,694,092,500, of which total \$643,750,000 will be disbursed by the People's Commissariat for Transports, \$70,555,000 by the People's Commissariat for Posts and Telegraphs, \$138,483,500 by the economic administrative departments, \$114,175,500 by the educational and cultural departments, \$72,821,000 by the legislative institutions and administrative departments, \$109,592,000 for Federal Treasury operations, \$64,529,500 for the reserve fund, and \$165,469,500 for the subsidy fund and local budgets.

As for the extraordinary expenditures, these are calculated at the sum of \$247,251,500. Out of this total \$90,331,000 is allotted for agricultural requirements, \$55,671,500 for industry, \$38,110,000 for electrification, \$18,025,000 for cooperative activities, \$36,050,000 for municipal administration, \$5,716,500 for measures to combat unemployment, \$2,832,500 for building, and \$515,000 for other expenditures.

A comparison of Federal expenditures for the fiscal year 1925-26 with similar expenditures for 1924-25 reveals the following increases: Disbursements for the needs of the People's Commissariat for Posts and Telegraphs are 49.2 per cent larger, for the economic administrative departments—43.7 per cent larger, for the People's Commissariat for Transports—38.2 per cent larger, for the educational and cultural departments—37.3 per cent larger, for the legislative institutions and administrative departments—30.4 per cent larger, for the operations of the Federal Treasury—24.1 per cent larger, for the subsidy fund—18.3 per cent larger, and for the reserve fund—13.8 per cent larger. The extraordinary expenditures for the new fiscal year have also been considerably increased in comparison with Federal disbursements in 1924-25: Expen-

ditures on the needs of the cooperatives are 150 per cent larger, for municipal administration—94.4 per cent larger, for electrification—48.4 per cent larger, for industry—9.8 per cent larger, and for measures to combat unemployment—85 per cent larger. Only a few disbursement items of single occurrence or of a temporary character have undergone a decrease.

Altogether, the ordinary expenditures in the budget for 1925-26 constitute 87.2 per cent of the total disbursements, as against 85.6 per cent in 1924-25.

As mentioned above, the aggregate sum of the estimated revenues for 1925-26 surpasses the revenue receipts for 1924-25 by \$478,589,500, or 32.6 per cent. If the items for transports and posts and telegraphs are omitted from this total, since the budget income under these heads is exactly balanced by the outgo, the revenue receipts for the fiscal year 1925-26 will be \$257,500,000 more than for 1924-25.

The flotation of the 300,000,000 Gold Rubles Economic Reconstruction Loan will increase the revenue resources by an additional \$154,500,000, so that the Soviet Union will be able to throw about \$412,000,000 into the reinforcement of its national economy during the current fiscal year. This invigorating current must assure the further progress of Soviet economic life and lead to the results projected by the State Planning Commission and the programs of the various Government departments.

In contradistinction to the Tsarist budget, wherein revenue was expended principally on the armed forces and the police, the major portion of the supplementary Soviet revenues of \$412,000,000 will be disbursed for the cultural needs of the population, for public welfare, for the growing requirements of nation economic activity, and for the enlargement of local budgets. Thus, under the present budget, including the Economic Reconstruction Loan, industry will receive about \$154,500,000; and the appropriation for agriculture will ascend to \$262,598,500 which is nearly twice as much as the amount appropriated for the same purpose in 1924-25.

During the fiscal year 1925-26 \$77,250,000 more than in 1924-25 will be spent for the satisfaction of the people's cultural needs. The appropriations for housing construction are also being increased. The present allotment of funds to the Central Housing Construction Bank is twice that of the previous fiscal year.

The Russian Information Bureau has received
a number of copies of the
**Official Report of the British Trades Union
Delegation to Russia**

Eight Years of Economic Progress

AN ARTICLE written for the Moscow "Izvestia" of November 7, 1925 by Mr. A. Enukidze, Secretary of the Central Executive Committee of the Soviet Union, on occasion of the eighth anniversary of the Soviet Republic, contains the following passages concerning the economic reconstruction of the country:

During the past eight years great progress has been made in the economic reconstruction of the Soviet Union.

The heritage left to the Soviet order by the Tsarist regime of Russia consisted of private industries, operating without plan or system, disrupted by the World War and adapted in considerable part to military needs. To this must be added the subsequent destruction wrought by the civil war and the disorganization due to the fact that in retreating Kolchak and Denikin carried off the equipment of the most important centers of the metal industry, demolishing the factories and mills in the Donets Basin and in the Ural Region.

Such was the picture of the industrial situation bequeathed to the Soviet administration. Now, eight years after the establishment of the Soviet Republic, the country's industry is steadily being restored. Whereas the industrial output constituted 23 per cent of the pre-war volume in 1921-22, rising to 31.7 per cent in 1922-23 and to 40 per cent in 1923-24, during the fiscal year 1924-25 the industrial development approached the pre-war level. At present the Soviet Union confronts the task of putting new basic capital into industry through the organization of new factories and mills. However, the achievements in the industrial field during the past fiscal year are not limited to the development of this or that branch of national economy. On the eighth anniversary of the November Revolution the Soviet Union was enabled to make a definite approach to the planning system of national economy as a whole. For the first time such a plan is now under consideration by the higher guiding organs of the Soviet system.

The same picture is observed in the sphere of agricultural economy. During these eight years the Soviet Government, despite the years of disorganization, the civil war and the unexampled famine that befell a considerable portion of the grain producing area, has been able to rehabilitate agricultural economy, bring it almost up to the pre-war standard during the current year, increasing the plowed area in many places, and throwing its energies into the restoration of the industrial raw material crops, such as cotton, flax, and so forth.

Not only that, but for the first time in the history of the peasantry, the Soviet regime has succeeded in bringing the tractor and electrical power into the rural regions.

The cooperative movement has also been enlisted in the endeavor to rehabilitate the country's productive forces. At the present time the Soviet cooperative movement is being built up along three lines: consumers' cooperation, agricultural cooperation, and productive-industrial cooperation. The turnover of these organizations is several times larger than before the war. The cooperative system is founded upon voluntary membership. The cooperatives now constitute mass organizations of the toiling population, and do not, as was formerly the case in Tsarist times, include only the higher strata of the peasantry and the petty middle class.

The financial feature of the reconstruction stands out prominently against the general background of the achievements of the Soviet order during the past eight years. Having taken over a disrupted national economy and disordered finances, the Soviet regime, has succeeded in building up a unified and firm Federal budget. Whereas the Soviet budget constituted \$669,500,000 for the fiscal year 1922-23, it exceeded \$1,287,500 in 1924-25.

The structure of the Soviet budget is itself extremely significant and radically different from the budget of old Tsarist Russia. The Tsarist budget expended 26.8 per cent of the total on defense, i. e., for unproductive purposes, whereas the Soviet budget, despite the unfriendly attitude of many foreign countries, spends only about 16.9 per cent on the army and navy. In Tsarist times 1 per cent of the budget total was disbursed on the support and promotion of industry, while 6 per cent of the present budget goes for this purpose. During the Tsarist period 3.9 per cent of the budget aggregate was expended for the support and development of agriculture, whereas the Soviet expenditure is 8 per cent of the total. The Tsarist budget devoted 5.9 per cent of the total to cultural and social needs, while the budget of the Union of Soviet Republics allots 11 per cent for this work.

Thus, in the financial sphere, during the space of these eight years the Soviet regime has attained a sound financial position, created a firm Federal budget, consolidated the national currency with the introduction of a chervonets medium capable of holding its own with the strongest foreign currencies, and built up a budget that is in harmony with the interests and requirements of the broad working masses.

Technical Achievements of Soviet Industry

IN the following paragraphs are summarized the most important technical achievements of the principal branches of Soviet industry.

In the metal industry the smelting of iron with peat fuel has been organized and put into practice in the Ural and at the Koliubek works, while iron ore smelting with the utilization of coal has been set in operation in the Kuznetz Basin. Brilliant results have been obtained in both instances. Another accomplishment in this branch of industry is the organization of tractor production at Kharkov (W. D. Caterpillar type) and at the Obukhov works in Leningrad (Holt caterpillar tractors). The organization of Fordson tractor production on a large scale at the Putilov works is nearing completion. The Obukhov works in Leningrad have organized the manufacture of new construction styles of aviation motors, which yielded excellent results on the recent Moscow-Peking airplane flight. The Moscow Scythe Factory "Kosa," has placed the production of scythes on a machine basis. The manufacture of textile machinery is being arranged at the "Aivaz" works in Leningrad and at other plants.

In the textile industry some cotton-ginning establishments of the new type (pneumatic cotton ginning) have been erected in Turkestan and Transcaucasia. The "Raspol" factory for the preliminary warm water retting treatment of flax is now under construction and will soon be completed.

The Soviet food industry is constructing a margarin factory at Krasnodar (to be finished during the fiscal year 1925-26) and an oil-pressing plant employing the extraction process at Kropotkin Station on the Vladikavkaz Railroad. The production of caffein in connection with the output of "medical" (i. e., caffein-free) coffee, the manufacture of glucose from maize and the derivation of compound ethers from fusel-oil in the process of distillation, are being organized.

The electrical industry has organized the production of the following articles: economical and half-watt lamps; high-voltage insulators; commutators and, to some extent, current measuring appliances; radio apparatus; and molybdenum wire.

The silicate (i. e., glass, pottery, cement, etc.) industry is introducing machine production of window and bottle glass. A factory known as "Daghestan Fires" is being completed with complete equipment for the machine production of window glass.

The Soviet ore-mining industry has brought the output of Nikopol manganese up to twice the pre-war volume. This industrial branch has also planned and begun to construct plants for the

production of copper, lead, and zinc. It has reconstructed the country's asbestos industry by consolidating it through the creation of one large machine-equipped enterprise in place of the many small establishments scattered throughout the asbestos producing region.

The chemical industry is finishing the construction of the Vakhtang turpentine and rosin factory and has built several white lead factories (at Yaroslav, the "Donzhest" plant in the South, etc.) For the utilization of bones the bone-glue and fertilizer factory "Kleytuk," the largest of its kind in the world, has been constructed in Moscow. Several new superphosphate works (Chernorechensk and Perm plants) have also been erected and foundations have been laid for a nitrogen plant at Balakhna for the production of fixed nitrogen.

The above-mentioned achievements already attained in construction and production are far from exhausting all that Soviet industrial technology has contributed to the country's economic life in the recent period of its service. In electric construction, in radio, in telephonic and telegraphic communication, and in aviation Soviet technique has elaborated original apparatus and designs not inferior to foreign ones. In the field of normalization and standardization the metric system has been put into practice, standard types have been worked out in many branches of production, and extensive work is being done toward the standardization of building. In the realm of the practical survey and investigation of natural resources, Soviet experts have established the existence of the vast iron ore deposits in Kursk Province, the gold placer mines in the Aldan region, and the platinum deposits in the Turukhan area.

In the sphere of laboratory research the scientific and technical institutes have contributed mechanical methods of working useful ores, while the thermo-technical, physico-mechanical and experimental electro-technical, as well as other research bodies have supplied a wealth of material suitable for the practical application of new methods and for the improvement of production. All these labors in the technical field have laid a firm foundation, upon which the Soviet Union may, through its own efforts, build its newly reconstructed economic life up to the level of the world's highest technological achievements. The technical plans already drawn up for the Dnieper hydro-electric power station and for the Volga-Don Canal are the first important instances of practical application of the achievements attained.

SECOND BOUND VOLUME

OF

RUSSIAN REVIEW

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Price \$3.00

Soviet Textile Industry

THE cotton industry of the Soviet Union is combined into twelve large trusts of Federal scope—Ivanovo-Voznesensk, Bogorodsk-Shchekovo, Orekhovo-Zuyevo, Tver, Presna, Vladimir, Kovrov, Egorievsk-Ramensk, Serpukhov, Moscow, Yaroslav, and Leningrad; one trust—Gusevsk—whose activities are limited to Soviet Russia proper, and six local trusts. Besides these trusts there are four cotton factories that are not affiliated to any trusts and belong to individual Republics.

At the present time the total equipment of the Soviet cotton industry as a whole includes 7,246,000 spindles and 176,000 looms, of which aggregate about 6,500,000 spindles and 135,000 looms are in operation.

Depending in large measure upon the importation of foreign cotton, this branch of the textile industry has passed through a number of crises during the past years and its development has been far from following a steady upward line. However, since 1922 it has expanded continually. It is worth while mentioning that during 1925 the production program of the cotton trusts was revised upward three or four times.

The following table furnishes a general view of the operations of the cotton industry during recent years:

Fiscal Year	Cotton Yarn Worked Up Metric Tons	Unfinished Goods Produced Meters	Finished Goods Produced Meters
1922-23	74,396	621,300,000	581,400,000
1923-24	101,898	878,900,000	835,500,000
1924-25	186,925	1,772,600,000	1,610,000,000
1925-26 program	236,648	2,415,500,000	2,170,000,000

The increase of the output of finished goods over the 1922-23 total, was 43 per cent, for 1923-24, 177 per cent for 1924-25, and is expected to be 274 per cent for 1925-26.

The foregoing figures testify to the very substantial growth of the Soviet cotton industry during the past three years. This expansion was evoked, on the one hand, by the country's general economic revival and, on the other hand, by the tremendous demand for cotton goods on the part of the population. It should be remembered that instead of supplying 16.5 meters of cotton goods per capita, as the Russian cotton industry did before the War, the Soviet industry was able to furnish only 6.68 meters per capita (40.5 per cent of the pre-war average) in 1923-24 and 10.2 meters per capita (62 per cent of the pre-war average) in 1924-25. During the fiscal year 1925-26 the industry will turn out 16 meters of cotton goods per capita, equivalent to 97 per cent of the pre-war standard.

The general growth of the Soviet cotton industry was accompanied by a trend toward normal

conditions of production. The percentage output of yarn from ginned cotton was increased, labor productivity was higher, and there has been an improvement in the quality of the products, which are now only very slightly below foreign cotton goods in this regard.

During the past few years the sale of cotton goods has been characterized primarily by a scarcity of merchandise, so that the unsold stocks carried over from one year to another were usually insignificant and sales almost coincided with the output. As a result the operations of the Soviet cotton trusts yielded profits of approximately \$30,000,000 in the fiscal year 1922-23, \$20,000,000 in 1923-24, and \$40,000,000 in 1924-25, while the profits for the new fiscal year 1925-26 are expected to reach \$62,500,000. The anticipated increase in profits is not based upon any rise in selling prices; on the contrary, prices will be reduced steadily in the future as heretofore. Larger profits are expected to result from further decreases in the cost of production and higher technical efficiency.

Woolen Industry

The large woolen enterprises of the Soviet Union are combined into seven trusts: Moscow Woolen Trust ("Mossukno"), Leningrad Textile Trust ("Leningradtextil"), Tambov Woolen Trust, Ulianovsk (formerly Simbirsk) Woolen Trust, Penza Woolen Trust, Worsted Trust, and Klintzy Woolen Trust. The remaining smaller enterprises are not united into trusts but operate under the supervision of local, provincial, or regional Councils of National Economy.

The next table records the growth of the Soviet woolen industry as a whole during the past fiscal years:

Fiscal Year	Woolen Yarn Produced Metric Tons	Unfinished Goods Produced Meters	Finished Goods Produced Meters
1922-23	14,563	23,900,000	21,800,000
1923-24	19,305	32,500,000	29,200,000
1924-25	22,724	46,200,000	44,800,000
1925-26 program	28,780	61,000,000	57,700,000

The increase of the output of finished woolen goods over the 1922-23 total was 34 per cent for 1923-24, 106 per cent for 1924-25, and is expected to be 165 per cent for 1925-26.

The equipment of the fine woolen goods factories is badly worn and part of the machinery is antiquated. The equipment situation in the coarse woolen goods mills is still worse. The worsted mills, however, possess equipment that is better in quality and condition. During the current fiscal year 1925-26 a very substantial part of the equipment in the Soviet woolen industry will be replaced by new apparatus. The renewal and supplementation of woolen mill equipment will make it possible to increase production con-

siderably and to reduce manufacturing costs and selling prices.

Apart from purchases abroad, most of the raw wool for the industry is bought up within the Soviet Union by the Joint-Stock Company "Sherst" (Wool), only a part being procured by the woolen goods trusts through their own organizations. During the fiscal year 1923-24 the Soviet woolen industry consumed 11,656 metric tons of coarse wool, 4,574 tons of medium fine wool, and about 4,500 tons of fine wool. In 1924-25 the industry used 12,500 metric tons of coarse wool, 2,100 tons of medium fine wool, 5,100 tons of merino wool, 3,500 tons of artificial wool, and over

silk industry recovered somewhat. Whereas production for the four quarters of 1922-23 amounted, according to pre-war prices, to \$172,000, \$417,000, \$317,000, and \$173,000 respectively, the trend in 1923-24 was in the opposite direction, the output for the four quarters being valued at \$287,000, \$268,000, \$320,000, and \$316,000. Production for the fiscal year 1924-25 increased still further, the output of twisted silk being 65 per cent greater than in 1923-24 and the output of silk yarn and coarse silk fabrics 37 per cent larger. During the fiscal year 1925-26 the Soviet silk industry will continue its expansion.

New Construction

The steadily increasing demand for the products of the textile industry, combined with the fact that the factories have reached the limit of their operating capacity toward the close of 1925, has brought up the necessity of building new mills, particularly in the cotton goods branch. It is planned to equip new factories in the near future for the Ivanovo-Voznesensk, the Vladimir, the Yaroslav and the Leningrad Cotton Trusts, the installations to include 650,000 new spindles and 9,500 weaving looms. The total cost of new construction in the cotton industry is calculated at \$51,500,000 of which \$12,102,500 will be appropriated and \$16,480,000 extended in the form of long-term credits during the fiscal year 1925-26. The sum of \$15,450,000 will be disbursed for new construction in the worsted branch and \$1,854,000 in the linen branch.

The domestic production of textile machinery is being expanded and purchases are being made abroad for renewing and completing the installations in the textile mills. In 1924-25 \$5,408,000 was appropriated for textile machine building, whereas in 1925-26 the appropriation amounts to \$12,309,000. About \$33,475,000 will be expended during the fiscal year 1925-26 for the purchase of textile equipment abroad. Out of this total orders amounting to between \$13,905,000 and \$15,450,000 have already been placed.

Iron and Copper Industry

THE following data covering the output of the Soviet metal industry during the fiscal year 1924-25 have been issued by the Chief Metals Department ("Glavmetal"):

	Output in Metric Tons 1924-25	% Increase over 1923-24
Pig Iron	1,288,745	97.3
Martin Steel	1,865,705	88.3
Rolled Iron	1,359,270	97.5
Including:		
Assorted Iron.....	532,709	111.8
Sheet Iron.....	135,159	131.9
Roofing Sheets.....	178,946	62.4
Copper Smeltings	6,790	135.7

The locomotive and car building division of the metal industry made substantial progress during

the elapsed fiscal year. Its output included 177 new locomotives, as against 168 for the fiscal year 1923-24; 578 new railway cars, as compared with 347 in 1923-24; 165 high-sided cars; 100 flat cars; 199 tank cars; 13 snow-plows; and 108 trolley cars.

During the past fiscal year 41 blast furnaces, 107 Martin ovens, and 186 rolling mills were in operation.

Soviet Copper Mining and Smelting Industry

The exceptionally strained situation of the Soviet copper market stimulated the adoption of a considerable number of highly important measures during the fiscal year 1924-25 with the intention of easing the copper shortage.

Worthy of special attention are the steps taken to restore to operation the copper enterprises that have long remained inactive. Large sums of money were appropriated for this purpose. Extensive preliminary and reconstruction work was begun in the three principal copper mining and smelting regions of the Soviet Union—the Ural, Transcaucasia, and the Province of Semipalatinsk in Central Asia. In the latter area, for instance, work was carried on for the construction of railroad branches, and for the organization of transportation by wagon and motor truck.

The copper mines and plants in Semipalatinsk Province are scheduled to begin operations during the fiscal year 1925-26.

In Transcaucasia about 300 metric tons of copper were smelted from old ore stocks in 1924-25. Intensive productive work was done during the elapsed fiscal year, particularly in the Ural. The Kolatinsk Combination operated to full capacity the year round (except for the Pyshmino-Kliuchevsk plant, which was put into operation at the end of November 1924), while in the former Urquhart group the "American" and Smirnov mines of the Karabash Combination started up in March, 1925, and the Karabash works began their activities in May of this year.

The accompanying tables show copper ore output and deliveries in the Ural region for 1924-25 as compared with the previous fiscal year:

Copper Ore Output in Metric Tons

	1923-24 Tons	1924-25 Tons
Copper Pyrites.....	100,217	167,004
Cupriferos Iron Pyrites.....	8,868	26,502
Total Mined.....	109,085	193,506

Copper Ore Shipments in Metric Tons

	1923-24 Tons	1924-25 Tons
Copper Pyrites	92,068	180,521
Cupriferos Iron Pyrates	19,660	76,576
Total Shipped	111,728	257,097

The total output of copper ore for 1924-25 in the Ural thus showed an increase of 77.4 per cent

over 1923-24, while the shipments more than doubled.

The results of copper smelting for the expired fiscal year surpassed the quota. While the program called for an output of 6,134 metric tons of black (unrefined) copper, the actual production was 6,578 metric tons (an excess of 7 per cent); and the production of electrolytic copper was 5,569 metric tons, 0.4 per cent above the program estimate of 5,538 metric tons. The output of black copper showed an increase of 122.8 per cent over 1923-24, while the output of electrolytic copper was 99 per cent larger.

1, 1925, was largest in September, 1925, when it amounted to \$128,235,000. The smallest monthly total for the fiscal year in question was recorded in November, 1924, with a gross output value of \$90,897,500.

A comparison with pre-war production shows that the figure for September, the closing month of the fiscal year, reached 80 per cent of the average monthly output value of Russian industry before the war.

The monthly production figures for the large-scale State industries of the Soviet Union show a steady growth from month to month during the elapsed fiscal year with exception of declines occurring in November, 1924, and July, 1925.

The value of the monthly output at the end of 1924-25 was 35 per cent higher than at the beginning of the fiscal year.

New Concessions

UNDER a decision adopted by the Council of People's Commissars of the Soviet Union the former Boni and Stolyarov factories in Moscow have been turned over as a concession to Dr. A. Hammer, an American citizen, for the production of all sorts of office supplies.

The two pencil factories operating at present in the Soviet Union turned out slightly over 100,000 gross of pencils during the fiscal year 1923-24, so that, as was also the case before the war, the entire remainder of the Soviet market demand, amounting to several hundred thousand gross, had to be covered by imports.

The present concession was concluded for the purpose of establishing the production of pencils in the Soviet Union and using the available domestic raw materials for the manufacture.

The concessionary engages himself to have the factories turned over to him repaired by the end of the 1927 building season and equipped with everything necessary in accordance with the latest technical achievements in this manufacturing branch, so that at the expiration of one year from the inauguration of the concession agreement the enterprise may be in a position to fulfill the following minimum production program: pencils of various sorts—180,000 gross; thumbtacks and clips—100,000 boxes; automatic pencils—100,000; assorted holders—55,000; pencil sharpening machines—100,000; and pens—75,000 gross.

The volume of production indicated is to be increased from year to year, so that during the fifth and subsequent years the output of pencils is to be brought up to 250,000 gross and that of pens to 300,000 gross.

The concession runs for ten years, at the termination of which the enterprise reverts to the government without compensation and in operating condition.

Fancy Goods Concession

The Federal Council of People's Commissars has also confirmed a proposal presented by the Chief Concessions Committee for an agreement with Stock & Co., a German limited liability company domiciled in Elberfeld. Under this concession agreement the Soviet Government grants the firm in question the right to manufacture all kinds of haberdashery goods.

For the execution of the agreement the premises of the former "Kopek" typographical plant, located in Leningrad, together with the land and the dwellings and other structures attached to the establishment, are turned over to the concessionary by the Government for use during the entire concession period.

After the transfer of the above-mentioned property to the concessionary firm the latter undertakes to repair the factory and dwelling structures at its own expense in accordance with an elaborated plan, so that the enterprise will be enabled to carry out the following prescribed minimum production program: during the second year of the contract term the concessionary must produce large-scale manufactured articles worth not less than \$154,500, and the output for each subsequent year up to the expiration of the agreement must be worth at least \$257,500.

The period of the concession is 18 years, at the end of which the entire enterprise reverts to the Government in good order and working condition, free of debt and without compensation.

Record Output of Chiaturi Manganese in September

As previously announced, the transfer of the Chiaturi manganese deposits to the Harriman interests was completed in August, and the Georgian Manganese Company was organized for the purpose of exploiting the concession. During the first month of its operations this organization established a new monthly record for manganese production. Its output for September amounted to 63,000 metric tons of ore, which represents an increase of 86.5 per cent over the total for August. Manganese ore washing increased 13.4 per cent.

P A M P H L E T S

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RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
2. The Agrarian Revolution in Russia.—25c.
3. Financial Policies of Soviet Russia.—25c.
4. New Constitution of the Soviet Union.—15c.
5. The Patent Law of the U. S. S. R.—15c.

Agricultural Progress

THE number of collective farms in the Soviet Union has increased as follows since the Revolution:

Year	Number of Collective Farms
1918	900
1919	6,200
1920	10,500
1921	15,800
1922	11,800
1924	13,900
1925	20,000

Accordingly, there were about twenty-two times more collective farms in the Soviet Union this year than in 1918. The decline observable in 1922 was due to the famine of the preceding year and the cessation of State support. Beginning with 1924 the collective farms show a healthy growth on the basis of complete economic independence.

At the commencement of 1925 the above-mentioned total of collective farms was distributed as follows among the different types of organizations: Agricultural "artels"—57 per cent; tillage societies (collective use of machinery for individually owned lands)—31 per cent; and communes (collective land-holding†)—12 per cent.

The collective farms have about 8,000,000 acres of land and include about 1,200,000 persons.

With the aim of bringing about more favorable conditions for the growth and consolidation of the collective farms, it is planned to turn over to them certain auxiliary enterprises, such as mills, oil-pressing establishments, sawmills, etc.

Sericulture in Transcaucasia

Sericulture plays an important role in the economic life of Transcaucasia. The leading silk-producing regions in this territory are Kutais Province (in Western Georgia), Ganjin (formerly Elizavetpol) Province, the Zakataly district and Mountain Karabakh (in Azerbaijan), the Nakhichevan Republic, Erivan and Echmiadzin Counties (in Armenia), together with some regions of Abkhasia and Ajaristan. In the regions named sericulture is conducted only in the lowlands and the zone at the foot of the mountains, where the warm climate favors the raising of silkworms.

According to information supplied by the Transcaucasian Sericulture Station, before the war (in 1914) this territory produced 6,000 metric tons of raw silk cocoons, or 2,000 metric tons of dry cocoons. At that time 117 silk-reeling factories with 3,111 cocoon basins were operating in Azerbaijan, 5 factories with 152 basins in Ar-

menia, and 4 factories with 148 basins in Georgia.

As a consequence of the world and civil wars sericulture in Transcaucasia fell into extreme decay. By 1921 the usual pre-war harvest of 6,000 metric tons of raw cocoons a year had fallen to 1,000 metric tons. After the establishment of the Soviet administration, the measures adopted by the Government brought about a rather rapid rehabilitation of the silk industry, especially in Georgia. From its low level of 1,000 metric tons in the fiscal year 1921-22 the production of raw cocoons in Transcaucasia rose to 3,200 metric tons in 1923-24 and to 4,000 metric tons in 1924-25.

During the current year 1,000 metric tons of dry cocoons were exported, chiefly to Italy (Milan). The Society of Georgian Sericulturists ("Abreshumi") is engaged in the purchase and export of cocoons. In addition to the above-mentioned quantity already exported, this organization has brought together an additional 2,700 metric tons of raw cocoons, of which it is planned to export about 1,000 metric tons. The sale of this lot will be effected through the Russo-Turkish Joint-Stock Company ("Russoturk") on French and Italian markets.

American Cotton Growers Going to U.S.S.R.

According to the Telegraph Agency of the Soviet Union the Soviet immigration authorities have received an inquiry from a group of cotton growers in the United States regarding the possibility of settling in the cotton producing regions of the Soviet Union. In this connection the Chief Cotton Committee has pointed out the Mugan Steppe (Caucasus) as a suitable area for such emigrants.

The Mugan is an extensive steppe constituting the southern part of the plain region of eastern Transcaucasia. It occupies an area of about 1,550 square miles. Although it is an arid plain, with proper irrigation it can yield excellent grain and cotton crops. At the present time the land in the Mugan Steppe is being set apart preferably for cotton growing. Several hundred families will be settled in the near future on the tract already irrigated.

For settlement in the Mugan Steppe each immigrant family must have an average of five hundred dollars in cash for supplies, equipment of the farm buildings, and for procuring the necessary farming accessories.

The governmental authorities of the Transcaucasian Soviet Federation consider that it would be very expedient to have American cotton growers settle on the Mugan Steppe, since their agricultural methods would serve as an example for the rural population of the entire steppe. The settlement of the Mugan Steppe by American cotton growers is not connected with the plan now being drawn up for the colonization of this plain. Each immigrant will be granted an adequate amount of arable land. It is proposed to make an initial allotment of land for 200 immigrant families.

*Cooperative land-holding and tilling, the members reserving the right to withdraw and to return to individual tilling of their share.

†In this case the whole land with implements, etc., belongs to the collectivity and individual members cannot withdraw their share.

Agricultural Improvements in Armenia

The State Planning Commission of the Soviet Union has approved an estimate for the appropriation of \$850,000 for agricultural improvement work in Armenia during the fiscal year 1925-26.

The principal items in the appropriation are the disbursements for cutting the Sardarabad Canal, and for the rehabilitation of the Arazdayan estate, where Armenian refugees coming from Greece will be settled.

Work on the construction of the Sardarabad Canal has already been started. This canal will irrigate 65,000 acres of which 44,000 have already been settled. The land in the Sardarabad Steppe is suitable for the cultivation of the most valuable crops, such as cotton and rice.

The Arazdayan estate covers an area of 19,000 acres of land bordering on Erivan and Sharur Counties and adapted to the cultivation of cotton and rice. The land has not been exploited in recent years, so that it is greatly run down. It is planned to restore the irrigation system. The area will be settled by 2,000 Armenian refugees coming from Greece.

The extension of the Shirak Canal, which was opened in March 1925, will provide about 17,000 additional acres of irrigated land suitable for various crops. This work will be completed during the summer of 1926.

In addition to this operations will be begun for establishing a system of sluices along the Zanga River, thus providing irrigation for about 55,000 acres of land.

Moscow Electric Street Railway

THE accompanying figures illustrate the increase of passenger traffic on the electric street railways of Moscow during the past three fiscal years as compared with the pre-war year 1913:

Passenger Traffic on Moscow Street Railways

Year	Persons
1913	257,400,000
1922-23	202,800,000
1923-24	281,400,000
1924-25	393,700,000

As these statistics show the number of passengers carried during the fiscal year 1924-25 was 136,300 greater than the total for 1913, while the successive annual increases during the past three years average 40 per cent.

For the transportation of this larger total of passengers during 1924-25 the Moscow street car lines were able to put into service only 712 cars daily, as against 636 cars for the previous year, an increase of but 12 per cent. This was owing to the fact that there was no more disabled rolling stock available for reconstruction and that the

long awaited new cars were not delivered. It must be noted that in 1913 the Moscow electric street railways had 816 cars at their disposal.

The traffic density during the past fiscal year was extremely heavy. There was an average of 9.5 passengers per kilometer of each car trip, 61 per cent greater than the pre-war average of 5.9 passengers.

The average running speed rose steadily during the course of the year, being 11.5 kilometers per hour for the fiscal period as a whole, and toward the end of the year it reached the pre-war rate of 12 kilometers per hour. In this connection it should be remarked that, despite the higher operating speed, the number of breakdowns decreased in comparison with the pre-war record. This is illustrated by the following figures showing the percentage of cars that were returned to the barns out of commission:

Percentage of Cars Returned Out of Order

Year	Per cent
1913	5.3
1923	9.0
1924	6.1
1925	5.0

The damage suffered by the overhead trolley-wire system was also reduced considerably. The current consumed per normal car-kilometer has been brought down to 1.08 kilowatts per hour from the 1913 average of 1.17 kilowatts.

The maximum load on the central power station amounted to 12,600 kilowatts (17,200 horsepower), as against 20,000 kilowatts (27,300 horsepower) in 1913.

The restoration of rolling stock and roadway developed on a large scale during the elapsed fiscal year. Major repairs were made to 86 motor cars and 12 trailer cars, as compared with major repairs to 75 motor cars in 1923-24. Worn out rails were completely replaced throughout a single track length of 51 kilometers, and 6,067 rail joints were welded in comparison with 1,789 during the previous year. Trolley-wire replacements amounted to 20,846 meters, which is the average annual wear.

The number of accidents and car collisions has decreased considerably in comparison with pre-war times.

A great deal was accomplished with regard to operating efficiency and car repairing. There was a marked rise (from 50 to 100 per cent) in the efficiency of labor at the lathes and machines in the car shops, due entirely to better utilization of equipment. The time for which cars remained idle under repairs (major and periodic) was reduced by from 59 to 75 per cent. During the fiscal year under review four new trolley lines with a total length of 18 kilometers were under construction. Of these four lines two, the Izmailov and

the Lenin Lines, have already been completed; and the other two, the Danhauer and Danilov Lines were to be finished this November. With the completion of the latter the single track length of electric street railways built in Moscow since the Revolution will total 64 kilometers, while the aggregate length of the system under operation will be 331 kilometers.

Land, Sea, and Air Transport

THE People's Commissariat for Transports and the Chief Metals Department of the Soviet Union recently entered into a detailed agreement for the construction of 250 new locomotives during the fiscal year 1925-26. Of this number 88 will be freight engines, while the remainder will be passenger locomotives. As an experiment four locomotives of an entirely new type will be built in Soviet shops during the current fiscal year.

The tentative price of the new locomotives ranges between \$42,000 and \$77,000. The sum of \$11,647,655 has been appropriated for the construction of new locomotives and \$1,545,000 for major repairs.

The construction of the 250 new locomotives is to be completed by October 1, 1926. The locomotive works have already begun filling the order.

New Railroads in Central Asia

The Central Asiatic Samsonovo-Kelif railroad section, 122 kilometers in length, which was destroyed by counter-revolutionary bands in 1919, has been reconstructed. The 45 kilometers remaining to be reconstructed between Kelif and Termez will soon be restored to operation also.

During the current fiscal year work will be started on the construction of a new railway line between Termez and Dushembe. This line will join the capital of Tajikistan (Tajik Soviet Republic) with the central regions of the Uzbek Republic via Termez, Karshi and Bukhara, and it will render possible unbroken rail communication between Dushembe and Moscow.

Improvements at Port of Murmansk

The new construction operations at the port of Murmansk have almost been completed. Nine deep-water mooring blocks have been installed. A floating dry dock has been transferred to the port from Archangel. It will now be possible to make repairs to visiting vessels of up to 3,000 tons displacement. During the winter season the port of Murmansk will handle about 65,500 metric tons of cargo each month. It is expected that the freight traffic for the entire winter season will amount to approximately 360,500 metric tons, including 23,000 standards of timber exported from the Northwestern Region.

Soviet River Traffic in 1924-25

Late in October it was estimated that the freight transported via the Soviet river system during the 1925 navigation season would aggregate 22,950,800 metric tons, equivalent to 52 per cent of the pre-war annual average of 44,262,300 metric tons.

Operations of "Derulft" in 1924-25

A report made November 1 on the activities of the "Derulft" (German-Russian Aviation Company) for the fiscal year 1924-25 showed that the organization's aeroplanes covered 470,886 kilometers over the Moscow-Koenigsberg and Koenigsberg-Berlin lines and carried 1,741 passengers during the period in question. The total cargo carried by the machines amounted to 170,944 kilograms, the planes being loaded to 81 per cent of full capacity on the average.

Altogether, since beginning operations on April 1, 1922 the "Derulft" planes have flown a distance of 1,243,000 kilometers and carried 3,616 passengers, 10,546 kilograms of mail, and 138,319 kilograms of freight.

During the fiscal year 1924-25 the company succeeded in carrying out a number of technical improvements in the construction of its airplanes. The "Derulft" flying machines stand foremost in Europe as regards safety.

The proportion of Soviet citizens in the company's working force has reached 50 per cent.

The organization's rate tariffs are considerably below the cost of operation. Like similar companies in other countries, the "Derulft" operates at a loss, which is covered by Government subsidies.

With reference to the operating program for 1925-26 the report points out that it is proposed to raise the rates for carrying mail, but that passenger transportation charges will remain unchanged. For the purpose of attaining greater speed it is planned to organize night flying.

The Transcaucasian Federation

IN A POLITICAL sense Transcaucasia is understood to signify the territory occupied by the Transcaucasian Socialist Federated Soviet Republic.

The Transcaucasian Federation embraces the Azerbaijan Soviet Republic with the Autonomous Nakhichevan Soviet Republic and the Autonomous Mountain Karabakh Area; the Armenian Soviet Republic, and the Georgian Soviet Republic with the Autonomous Soviet Republic of Adjaristan (Adjaria), the Autonomous Soviet Republic of Abkhasia and the Autonomous Area of South Ossetia.

Azerbaijan consists of the following territorial units: the former Baku and Elisavetpol Provinces

(exclusive of Karabakh and Zangezur District and part of Kazakh District) and the Zakataly region. The Nakhichevan Republic is made up of Nakhichevan and Sharur District, together with part of Ordubad District (parts of the former Erivan Province).

Armenia includes the following regions: the former Erivan Province (except the parts now constituting the Nakhichevan Republic, and Surmalin District, which was transferred to Turkey), Zangezur District, part of Kazakh District, Elisavetpol (now Gandja) Province, and a large part of Borchalin District of the former Tiflis Province.

Georgia has within its boundaries the former Provinces of Tiflis (excepting the above-mentioned part of Borchalin District turned over to Armenia) and Kutais. South Ossetia includes certain parts of the Gori, Dushet, Sherapan and Rachin Districts, formerly belonging to the Provinces of Tiflis and Kutais. Abkhasia is the former Sukhum District, while Adjaristan (Adjaria) is the former Batum District of the Batum Area.

The Transcaucasian Socialist Federation of Soviet Republics is bounded on the southwest by Turkey, on the southeast by Persia, on the northeast by the Daghestan Soviet Republic, on the north by the Karachai-Circassian Autonomous Area, the Kabardian-Balkarsk Autonomous Area, by the former Mountain Soviet Republic,* and the Chechen Autonomous Area.

The total area of the Transcaucasian Federation is 189,948 square kilometers, the Georgian Socialist Soviet Republic and its subdivisions having 65,966 square kilometers of this total, the Azerbaijan Socialist Soviet Republic and its subdivisions 89,445 square kilometers, and the Armenian Socialist Soviet Republic 36,537 square kilometers. The areas of the various subdivisions, included under the foregoing total, are as follows: Abkhasian Soviet Republic—9,351 square kilometers, Adjaristan (Soviet Republic of Adjaria)—2,269 square kilometers, Nakhichevan Soviet Republic—6,478 square kilometers, and the Autonomous Area of South Ossetia—3,695 square kilometers.

On January 1, 1925, the population of the Transcaucasian Federation amounted to 5,674,608. This total and the other population figures in this article are taken from the latest censuses taken in the various Soviet Republics.

1. *Azerbaijan Socialist Soviet Republic*: Capital—Baku; population of Baku—243,786; distance of Baku from Moscow—2,504 kilometers; number of counties—15; number of townships—63; number of rural Soviets—419; number of cities and towns—39; number of villages—4,190. Total population (including Nakhichevan and Mountain Karabakh)—2,005,049, made up of 482,116 urban in-

habitants and 1,522,933 rural inhabitants. With regard to the pre-war population, at the beginning of 1914 the number of inhabitants within the present boundaries of the Azerbaijan Republic was approximately 2,250,000.

(a) *Nakhichevan Autonomous Socialist Soviet Republic*: Capital—Nakhichevan; population of Nakhichevan—7,385; number of counties—2; number of rural Soviets—9.

(b) *Autonomous Area of Mountain Karabakh*: Capital—Stepanakert (formerly Khankondy); number of administrative subdivisions—4.

2. *Armenian Socialist Soviet Republic*: Capital—Erivan; population of Erivan—51,419; distance from Moscow—3,401 kilometers; number of counties—9; number of townships—37; number of rural Soviets—799; number of cities and towns—7; number of villages—1,128. Total population—908,000, made up of 134,102 urban inhabitants and 773,898 rural inhabitants. In January, 1914, the population within the present boundaries of Soviet Armenia numbered approximately 1,117,900.

3. *Georgian Socialist Soviet Republic*: Capital—Tiflis; population of Tiflis—246,910; distance from Moscow—3,025 kilometers; number of counties—16; number of townships—106; number of cities and towns—22; number of villages—4,345. Total population—2,139,625, made up of 497,825 urban inhabitants and 1,641,800 rural inhabitants. In January, 1914, the population within the territory of present Georgia amounted to 2,400,000 (exclusive of Abkhasia and Adjaristan).

(a) *Autonomous Socialist Soviet Republic of Abkhasia*: Capital—Sukhum; population of Sukhum—17,426; distance from Moscow—2,044 kilometers; number of counties—5; number of townships—17; number of cities and towns—5; number of villages—250. Total population—174,126, made up of 26,260 urban inhabitants and 147,866 rural inhabitants. The population of the former Sukhum District (constituting at present the Abkhasian Republic) numbered 181,947 in January, 1914.

(b) *Autonomous Socialist Soviet Republic of Adjaria (Adjaristan)*: Capital—Batum; population of Batum—60,810; distance from Moscow—3,373 kilometers; number of counties—5; number of townships 16; number of cities and towns—5. Total population—113,100. The pre-war population of the same territory which at that time was called the Batum District, amounted to 100,372 in January, 1914.

(c) *South-Ossetian Autonomous Area*: Capital—Tskhinvali; population of Tskhinvali—4,543; distance from Moscow—3,130 kilometers; number of townships—14. Before the War Tskhinvali was a large settlement in Gori County and had between 4,000 and 5,000 inhabitants.

*At present the territory of the former Mountain Republics is divided into two autonomous areas: Northern Ossetia and Ingushetia.

Nationalities Inhabiting Transcaucasia

With respect to ethnography the Transcaucasian Federation constitutes one of the most remarkable corners of the world. More than twenty peoples, all speaking different tongues, are concentrated in this territory.

This diversity of population in Transcaucasia is of very old standing and is to be explained by historical causes on the one hand and by physical-geographical factors on the other.

The mountainous character of the country with the resulting seclusion and isolation of the various localities has promoted the differentiation of the individual tribal groups from one another, both with regard to economic life and culture and with regard to language.

The slight and infrequent intercourse amongst the various sections of the population, separated by mountains difficult to traverse, hindered the mingling and amalgamation of the different tribal groups and favored the rise of distinctions of physical type and language among the kindred groups of the population disunited by the mountain features of the territory.

In the course of centuries the influence of the factors in question has brought about in Transcaucasia that variety of racial composition which lends it the character of a sort of living ethnographical museum.

The fundamental races in Transcaucasia are the Georgians, the Azerbaijan Tatars, and the Armenians.

The Georgians are divided into Georgians proper who call themselves Karthlians, and a number of subdivisions the most important of which are the Imeretians, west of the Suram Mountains as far as the River Tskheniz-Tskhali; the Gurians, between the Rion River and Lazistan; the Svanetians, on the Upper Ingur and Tskheniz-Tskhali rivers; the Mingrelians, in Western Georgia, between the rivers Tskheniz-Tskhali, Rion, Ingur and the Black Sea, and the Lazis in Adjaristan on the Black Sea. In addition to these main subdivisions of the Georgians, there are several minor ones, such as the Meskhe-Georgian Mussulmans of Akhaltsikh County, the Adjar-Georgian Mussulmans of Adjaristan; the Tushes, the Pshavs and the Khevsurs living in Dushet and Telav Counties; and a number of tribes of mountaineers; all of these tribes speak the Georgian tongue, with slight local peculiarities (different dialects), and are accordingly grouped under the common name of Georgians.

The Kistines, a Chechen tribe, as well as Avars, Kurins, Udins and other Lesghian tribes live mainly in Telav County.

The Abkhassians, the inhabitants of the Autonomous Soviet Republic of Abkhasia, belong to the Circassian family.

The Ossetes, an Iranian nationality, made their way into Transcaucasia from the Northern Cauca-

sus. The North Ossetes dwell in the Ossetian Autonomous Area (in the territory of the former Mountain Republic) and number 140,000. The South Ossetes occupy the Autonomous Area of South Ossetia which forms part of Georgia. The agricultural census of 1923 places the number of South Ossetes at 78,000.

The Kurds live in Azerbaijan (Kurdistan County) and partly in Armenian territory. A small number of Kurds is also found in Akhalkalaki and Akhaltsikh Counties of Georgia. The greater part of the Kurds living in Armenia is made up of Yezids—a peculiar religious sect whose tenets contain old Iranian and Assyrian as well as Christian and Mohammedan elements.

The Talyshes live in the southern part of Lenkoran County in Azerbaijan. Their language is very closely related to Neo-Persian. At the present time the Talyshes are acquiring the Azerbaijan tongue and are gradually becoming assimilated with the Azerbaijan Tatars.

The Tates, kinsmen of the Talyshes by language, dwell in the Apsheron Peninsula and also in the northern part of Shemakha County and in the southern part of Kubin County of Azerbaijan. Their language is close to Neo-Persian. A dialect of this language is spoken by the Mountain Jews of Daghestan and Azerbaijan.

The Persians in Transcaucasia number 50,000 altogether. Most of them are found in Azerbaijan. There are Persians living in Georgia also, mostly in the cities.

The Russian population of Transcaucasia consists chiefly of religious sectarians (Molokans, Dukhobors, Sabbatarians, and others), formerly transplanted from Russia by order of the Tsarist Government, and partly emigrated on their own initiative as a result of the persecutions in their home country during the fourth and fifth decades of the past century.

The Greeks live in separate settlements in Georgia and Armenia.

German colonies were founded in Transcaucasia in 1818 by settlers from Wurtemberg. At the present time there are about 26,000 Germans in Transcaucasia. Of these 14,000 live in Georgia and about 12,000 in Azerbaijan.

The Azerbaijan Tatars are of mixed racial origin. Their tongue contains many Persian elements. It serves as international language for communication among all the various nationalities inhabiting eastern Transcaucasia. The Azerbaijan Tatars in Transcaucasia number about 1,270,000. The major part of them is concentrated in the territory of Azerbaijan. The census of 1922 showed that there were 76,550 Azerbaijan Tatars in Armenia and about 82,000 in Georgia.

The Armenians, as also the Georgians, are ancient inhabitants of Transcaucasia. Most of them are found on the territory of the Armenian Socialist Soviet Republic. There are 671,451 of them in Armenia according to the census of 1922. Over

300,000 Armenians live within the boundaries of Azerbaijan and Georgia, principally in the cities.

The Osmanli Turks dwell in Akhaltsikh and Akhalkalak Counties of Georgia, in Azerbaijan and in Abkhasia. They total approximately 40,000.

The Mountain Jews of Transcaucasia live in Azerbaijan and speak the language of the Tates.

The Georgian Jews are scattered in various localities of Georgia, constituting separate sections of certain cities and small towns. The 1922 census of urban population in Georgia gave the total number of Jews in Georgian cities as 23,433, and the census of 1917 showed that there were 2,326 Jews in the counties.

The Syrians, or Assyrians, as they call themselves, are found in small numbers in the territories of all the three major Republics in the Transcaucasian Federation. Their language is descended from the ancient Syrian, but has been considerably influenced by the tongues of the peoples among whom the Transcaucasian Syrians have lived.

The Gypsies constitute a special group of the Transcaucasian population. They lead a wandering life in Armenia and Azerbaijan. The Armenian Gypsies, the "Boshes," speak the Armenian language, while the Azerbaijan Gypsies, called "Karachis," who are Mussulmans, speak the Azerbaijan language.

A. I. Rykov on Anglo-Soviet Relations

ON OCTOBER 10 the British Parliamentary Delegation, then in Moscow, addressed the following letter to Mr. A. I. Rykov, Chairman of the Council of People's Commissars of the Soviet Union:

Dear Sir:

You have, of course, been informed that I and my colleagues (Mardy Johns, M. P., J. H. Hall, M. P., D. Grenfell, M. P., and A. R. Taylor, M. P.) have been studying the economic and political situation in Soviet Russia during the course of the last five weeks.

What we have seen has led us to the conviction that it is extremely important, both for Great Britain and for Soviet Russia, to come to a full and exhaustive agreement as quickly as possible with regard to all of the most important questions. We consider this a fundamental condition for the development of Anglo-Soviet trade.

In order that no misunderstanding may arise in England with respect to the position occupied by the Soviet Government, we beg you to be good enough to give us official answers to the following questions:

1. Is the Soviet Government prepared to indemnify losses to British subjects whose property

and capital, invested in enterprises in Russia, were confiscated?

2. Is the Soviet Government prepared to begin negotiations immediately for the settlement of all the most important questions between the two countries?

3. Can you give us a list of the sorts and quantities of English goods and machinery which the Soviet Government could purchase promptly, of course, with the grant of credits and on condition that prices were within reach?

4. Can you tell us the term of the credits required by the Soviet Government for the principal categories of the above-mentioned goods?

In the name of my colleagues and myself,

P. R. C. WALLHEAD.

Mr. A. I. Rykov made the following response to the foregoing letter:

Dear Sirs:

You are entirely correct in saying that "it is extremely important, both for Great Britain and for Soviet Russia, to come to a full and exhaustive agreement as quickly as possible with regard to all of the most important questions." I am very glad that this position has found new supporters as the result of your firsthand study of economic and political life in the Union of Soviet Socialist Republics. The Soviet Government has always taken this viewpoint and has entered and will enter with complete readiness into negotiations which make the attainment of such an agreement their aim. The success of these negotiations would carry with it a considerable alleviation of the international situation, would undoubtedly hasten the economic rehabilitation of the Soviet Union, and, thanks to the development of trade, would contribute to the reduction of unemployment in England. The Soviet Government's point of view in the existing disputed questions was repeatedly defined, both before and after the negotiations that took place in the year 1924. Your letter affords me an opportunity to stress this viewpoint once more.

You ask me whether the Soviet Government is ready to indemnify British subjects whose property was nationalized in Russia. Paragraphs 10, 11 and 12 of the general treaty signed between Great Britain and the Soviet Union on August 8, 1924, providing for the method of examining the claims and for the terms of their liquidation, testify to the readiness of the Soviet Government to settle this question on the basis of mutual benefit.

With reference to your second question as to whether the Soviet Government is prepared to begin immediate negotiations for the settlement of all disputed questions between the two countries, I answer in the affirmative. Even after the abrogation of the agreements the Soviet Government made several announcements of its read-

iness to enter into new negotiations with the English Government. But you understand very well that such negotiations are conceivable only in the event that both parties are well disposed toward them. Much to my regret, I must observe that the same good will was not displayed on the part of the Government of Great Britain. The official pronouncements of certain members of the British Cabinet, to say nothing of the behavior of the ruling party's press, rather indicated a lack of desire in the Government of Great Britain to come to an agreement with the Soviet Government with regard to the disputed questions.

Concerning your third inquiry, as to what categories and quantities of goods and machinery of British origin could be purchased immediately by the Soviet Government in the case of suitable price and credit terms, Mr. Rakovsky, the Plenipotentiary Representative of the Soviet Government in Great Britain, made a statement back in July in this connection regarding our intention to place an order amounting to fifteen million pounds sterling with the English industry.

We looked upon that order as only a beginning in the creation of broad and enduring relations between English industry and Soviet economic organs. I have arranged to have delivered to you an approximate list of the goods and machinery which we should like to order at once in England. Dependent upon the placing of this first order, we were prepared to place another order in the interest of our industrial and agricultural development. Unfortunately, this program of ours was carried out only in part. We were able to place only one fifth of our orders for textile machinery in England. The failure of our attempt to come together with English industry is due to the refusal of the English banks to cooperate with British industrialists desirous of trading with the Soviet Government.

The extension of Anglo-Soviet trade is closely bound up with the question of credits, of which you speak in your fourth point. The credits required by our industry and our economic organs for their trading operations in England consist of two classes: short-term credits for the purchase of consumption goods, and long-term credits for the purchase of machinery. But neither the former nor the latter credits exceed the bounds of those facilities which English merchants, industrialists and banks grant to subjects and firms of other foreign nations.

We are prepared to strive in the future, too, for the expansion of Anglo-Soviet trade, for closer economic collaboration between the two nations, and for the elimination of the disputed questions lying in the way of this collaboration. But the success of this, our policy, can be assured only in the event that the Government and public opinion of Great Britain display the same good will as the public opinion and Government of the U.S.S.R.

A. I. RYKOV.

Administrative Changes and Nominations

ON NOVEMBER 18 a special session of the Central Executive Committee of the Soviet Union unanimously ratified a measure for the fusion of the People's Commissariat for Foreign Trade and the People's Commissariat for Domestic Trade into a single commissariat. The development of the country's national economy, the growth of the Soviet Union's domestic trade and commercial relations with foreign countries, together with the consolidation of the foreign trade monopoly, had demonstrated the necessity of this step and the matter had been definitely elaborated by the Council of People's Commissars before being presented to the Central Executive Committee for confirmation.

After ratifying the project the Central Executive Committee appointed Mr. A. D. Tsiurupa, who is Acting Chairman of the Federal Council of People's Commissars, to the new post of People's Commissar for Foreign and Domestic Trade, at the same time relieving him from his duties as Chairman of the State Planning Commission. Messrs. L. B. Krassin and A. L. Scheinman were named Acting People's Commissars for Foreign and Domestic Trade.

The New People's Commissar for Army and Navy

Kliment Efremovich Voroshilov, who was appointed People's Commissar for Military and Naval Affairs of the Soviet Union on November 6, 1925, is 44 years old and comes from a family of farm laborers in Ekaterinoslav Province. He joined the revolutionary movement in 1899 when he was arrested for the first time. Tirelessly active since that time, he was repeatedly imprisoned but succeeded in escaping several times. In the front ranks of the Revolution of 1917, he began his military career in 1918 by leading a detachment against the invading German forces. The extraordinary natural ability he displayed won him the command of important forces in the struggle against Denikin, Kolchak and other enemies of the young Soviet Republic. Through his distinguished services he attained the highest military honors and gradually rose to the most responsible posts, becoming Commander of the Moscow Military District and Member of the Military Council of the Soviet Union and of the Presidium of this body in 1924. He has also been a member of the Central Executive Committee of the Soviet Union since 1921.

New Chairman of State Planning Commission

On November 20 the Council of People's Commissars of the Soviet Union appointed Gleb M. Krzhizhanovsky Chairman of the State Planning Commission.

Cultural Life in the Soviet Union

Cultural Work among the National Minorities

THE organization of educational work among the national minorities of the Soviet Union is entrusted to a special Council of National Minorities attached to the People's Commissariat for Education. This Council serves up to one hundred and fifty nationalities inhabiting the Soviet Union. One of its fundamental tasks is cultural and educational work conducted among the national minorities in their native languages. For eighteen nationalities which had no written language, such, for example, as the Votyaks, the Mordvinians, the Chuvashes, the Kalmucks and a number of others in the Northern Caucasus, the Council printed the first books that were ever published in these languages, beginning with primers and leading up to reading books.

The Council of National Minorities is extending its school system, which it proposes to increase by 15 per cent during the fiscal year 1925-26. At the present time there are among the national minorities, and five national minority sections in 4,937 educational establishments for the adults.

Special attention is now being centered on the preparation of teachers for the national minorities. For this purpose forty-two pedagogical training schools have been created for the national minorities, as well as seven agricultural schools conducted entirely in the languages of national minorities and five national minority sections in Russian technical institutions.

This year it is planned to open four medical divisions for national minorities in conjunction with existing medical schools, something which is especially necessary for the Eastern nationalities, which live in unhygienic conditions and amongst whom the witch-doctor still flourishes.

In addition to this, up to 610 places were reserved for national minority students in the higher educational institutions of the Soviet Union.

There are national minority chairs in two State universities in Moscow, in the Pedagogical Institutes of Kuban and Viatka, in the Eastern Pedagogical Institute at Kazan, and in other institutions.

Work has also been started among the Syrians, or Assyrians, respectively "Aisors," as they call themselves. The Assyrians whose number totals 5,000 persons, are found in the Caucasus and in a number of cities, such as Moscow, Leningrad, and others.

The cultural work among the Ukrainians and White Russians scattered throughout the Russian Socialist Federated Soviet Republic (Soviet Russia proper) is undergoing a considerable expansion. During the present year the schools for the detached White Russian groups have been increased tenfold from 37 to 336, while those for the similarly situated Ukrainian minorities have been doubled and will number 830 schools.

It is also planned to increase the number of schools for the Koreans. The teacher training activities are being doubled and the courses will turn out over three thousand teachers for national minorities this year.

To eliminate illiteracy among the national minorities special courses are being given this year to prepare teachers for the liquidation of illiteracy among the Khakkases, the Oirats, the Maris, the Votiaks, the Tataro-Bashkirs, the Kirghizes and others. This will create a body of permanent workers for the elimination of illiteracy among the national minorities.

The question of educating the Northern nationalities of the Soviet Union is becoming particularly acute. In these regions teachers from the ranks of the natives are almost entirely lacking.

Among some national minorities the proportion of the children attending school does not exceed more than 1 or 2 per cent.

During the fiscal year 1925-26 it is proposed to open twenty-eight boarding schools for Samoyeds, Ostiaks, Shors, Yakuts, Tunguses, and Buriat-Mongols.

Twenty-eight boarding schools will also be opened for the Yukaghirs, the Koryaks, the Kamchadales, and the Eskimos.

Furthermore, it is planned to organize a system of cultural stations for the Samoyeds in Komi, the Ostiaks in the Turukhan territory, the Tunguses in the Yakut Soviet Republic, and for the Chukchis and Koryaks in the Far East. These stations will combine cultural, medical, cooperative and other aid to the native population.

Situation of Soviet Press

THE accompanying figures illustrate the growth of the Soviet newspaper press during the year extending from October 1924 to October 1925:

Number of Papers and Average Number of Copies

	October 1924	October 1925	Percentage Increase over 1924
Newspapers	517	595	15
Copies Printed Daily	3,769,000	7,284,000	93.2

During the course of the year the workers' papers showed an increase of 75 per cent in the number of copies printed. The trade union press underwent approximately the same growth.

The peasant press grew rapidly. In 1924 there were 122 peasant newspapers, while in 1925 they numbered 146, an increase of almost 20 per cent. Their average circulation aggregated 1,600,000 copies, equivalent to 22 per cent of the total for the entire Soviet newspaper press.

In addition to the number of papers mentioned above the Soviet Union has about 27,000 poster

newspapers, and their number is steadily increasing.

The body of workers and peasant press correspondents has become larger and stronger, having increased from 130,000 in 1924 to 216,000 in 1925. This does not include the poster press collaborators, who may be taken to total up to 100,000.

Progress is also to be recorded in the field of the non-Russian press in the Soviet Union. In October 1925 the non-Russian press included 162 newspapers, as against 139 at the beginning of the year, representing an increase of 16.5 per cent. Their average circulation is about 600,000 copies.

The non-periodical publications show likewise great progress in the Soviet Union. In 1922 the non-periodical publications and titles for the entire country amounted to about 10,500 and the number of copies totaled 34,000,000. In 1925 there were 35,000 such publications with an aggregate of 180,000,000 copies.

A great deal of attention is being devoted to peasant books. The State Publishing House has increased its output in this field fifteenfold during the course of a single year, and the other Soviet publishing enterprises have expanded theirs sixfold.

Lenin Public Library in Moscow

THE Lenin Public Library of Moscow possesses about 3,500,000 volumes already catalogued. Another million and a half books are at hand awaiting distribution on the shelves.

A four-story book-stack division with space for 500,000 volumes is now approaching completion in the library building.

The library is open from ten in the morning to ten at night. In order that books may not be misappropriated, strict control has been established over the entry and exist of visitors.

The books are consulted in a readers' room with four hundred seats, which are almost always entirely occupied, particularly in winter. A great number of catalogues is concentrated in special rooms. The books are issued by sixty library workers thoroughly experienced in their field.

In a special room there is the so-called "Corner of the Forties" in which are gathered the books and manuscripts of revolutionary writers of that epoch, such as Bakunin, Herten, Ogarev, Granovsky, and others. The manuscripts are of vast historic value.

Several large rooms are occupied exclusively by valuable old books in Arabic, Latin, Greek, Chinese, Turkish, German, and Old Church Slavic. Here in large book cases are rare books that have survived more than ten generations. These books belong not only to the time of Ivan the Terrible and the first Russian Tsars, but also to the early days of the formation of Russia. There are manu-

script volumes 800 years old, written on parchment.

Of incalculable value are the manuscript books of the eleventh century, manuscript Tsarist documents beginning with the twelfth century, the only copies in the world in various languages of religious, secular and scientific books. These manuscripts are preserved in a special concrete depository, whose key is held by one of the well-known savants. Here, too, are kept the manuscripts of the greatest Russian writers, such as Gogol, Lermontov, Tolstoy, Ostrovsky, and others. All the manuscripts of the great Russian poets are included in this collection.

Graphic Art in the U.S.S.R.

DURING recent years there have been great achievements in the field of graphic art in the Soviet Union. The Moscow school of graphic art includes such renowned masters as Piskarev, Pavlov, Favorsky, Falieyev, Kravtchenko and others.

N. E. Piskarev has attained very remarkable results in the realm of book art work (graphic cover designs). He has introduced many interesting novelties into Russian lettering. His designs for book covers aim to interpret the contents of the entire book and not separate episodes. The cover designs executed by Piskarev rank among the best of our times. A great impression has been created by one of his designs illustrating a series of human hands, from children's to old men's, playing on the strings of an ancient Aeolian harp.

Pavlov is prominent for his work in tone engraving. In his compositions Pavlov frequently strives to bring out the background by toning and shading various lines and combinations. He is one of the best reproducers of paintings. While bringing out all the peculiarities, he also gives his reproductions unusually bold and definite lines.

Favorsky is well-known for his illustrations to the Book of Ruth. These are interesting mainly because of the construction of new forms. Pavlov, in his attempts to create three-dimensional impressions on paper, resembles one of the most elaborate masters of the early Italian Renaissance—Paolo Uccello. His vignettes are very complicated and represent the most unexpected complications of mathematical formulae, microscopic human figures, color patterns, etc.

Kravtchenko is renowned for his beautiful illustrations to scientific and historical books. The basic principle of his work is the illustration of reality combined with its embellishment. His illustrations of various historical buildings are always more beautiful than the original. In the words of an authority, Kravtchenko more than any other of the Russian engravers puts his whole soul into his compositions. He illustrates ancient Moscow from the viewpoint of a man of the twentieth century.

Miscellaneous News

Soviet Currency Circulation on November 1

Between October 1 and November 1 of the closing calendar year the volume of Soviet currency in circulation augmented from 1,142,884,700 gold rubles to 1,246,899,500 gold rubles (the latter amount is approximately equivalent to \$641,654,000), an increase of 104,014,800 gold rubles, or 9.1 per cent, for the month. The par value of the ruble is \$0.5146. During 1925 it has been generally quoted slightly above par on European exchanges, the average being about \$0.515.

The total money circulation for November 1 consisted of the following kinds of currency:

Kind of Currency	Amount in Gold Rubles
Bank notes of State Bank.....	719,247,100
Treasury bills	372,785,800
Silver coin	141,225,900
Copper coin	7,175,400
Small change paper tokens.....	6,465,300
Total	1,246,899,500

All-Russian Cooperative Bank in 1924-25

Preliminary figures issued late in October showed that the balance sheet total of the All-Russian Cooperative Bank had grown from \$46,350,000 to \$76,735,000, i. e., by 65.5 per cent during the fiscal year extending from October 1, 1924, to October 1, 1925. The branch balances underwent a particularly rapid expansion, increasing in the aggregate from \$23,226,500 up to \$42,796,500, a rise of 84.2 per cent.

The accompanying table illustrates the growth of the principal items in the balance sheet of this financial institution:

	October 1, 1924	October 1, 1925	Percentage Increase
Share Capital.....	\$6,334,500	\$8,137,000	27.7
Deposits and Current Accounts	12,514,500	25,750,000	105.7
Loan and Discount Operations (in- cluding loans against merchan- dise)	26,780,000	38,110,000	42.3

Industrial Bank in 1924-25

The operations of the Industrial Bank increased approximately twofold during the fiscal year ending October 1, 1925, as the following figures show:

	October 1, 1924	October 1, 1925	Percentage Increase
Balance Sheet Total	\$142,140,000	293,550,000	106.5
Capital Stock.....	15,965,000	30,900,000	93.5
Balances on Deposits and Current Ac- counts	54,590,000	113,815,000	108.5
Loans and Discounts Operations	85,490,000	174,040,000	102.5

According to preliminary data available toward the end of October the bank's net profits for the fiscal year under review amounted to about \$7,725,000. After deducting taxes, \$5,922,500 of this sum was to be distributed among the stockholders of the Industrial Bank.

Highly characteristic of the Bank's development is the growing importance of its branches as measured by their role in the consolidated balance sheet. On October 1, 1925, the Industrial Bank had 85 branches.

Kara Trading Expedition in 1925

The cheapest and fastest route for trade communication between Siberia and the markets of Western Europe is the northern sea route through the icy Kara Sea and the mouths of the great Siberian rivers Ob and Yenisei.

The Kara Trading Expedition of 1925 shipped over \$3,000,000 worth of merchandise from London to Siberia, this total being made up as follows: Agricultural implements—27.5 per cent; drugs, medicines and herbs—25.4 per cent; paper, pencils and pens—11.0 per cent; leather and tanning extracts—18.1 per cent; and miscellaneous goods—18.0 per cent.

The cost of transporting goods from England to Siberia by the northern sea route was lower in 1925 than in 1924, amounting to about \$5.67 per metric ton, as compared with \$9.39 in the preceding year.

The commodities exported from Siberia by the expedition aggregated over \$750,000 in value, the percentage distribution being as follows: Oil-cake—40 per cent; wool—35 per cent; textile fibers—14 per cent; horsehair—4 per cent; raw hides and skins—7 per cent.

Larger Soviet Coal Exports to China

Exports of Soviet coal to China are increasing. During the first quarter (October 1 to December 31, 1925) of the fiscal year 1925-26 seventy thousand metric tons of Soviet coal will be delivered for consumption by the Chinese railroads.

New Lead and Copper Deposits

A workers' "artel" (independent union of laborers working collectively and sharing the profits) recently discovered extensive deposits of lead, copper and silver ores in the Jetusuisk area in the Semirechye region of the Central Asiatic territory of the Soviet Union. The ores lie almost on the surface. An assay of ore samples from the deposit showed 60 per cent of pure lead and 30 per cent of copper. The artel has set up a smelting oven.

Emigre Swindlers in the U. S.

The Moscow "Izvestia" of November 11 published an article on the activities of a few Russian emigres who have taken up their residence in the United States. The "activities" consisted in sending at first anonymous letters to prominent members of the Federal Soviet Government in Moscow, as well as to Soviet diplomatic representatives abroad. In these letters "ransom" was asked for the life of each of the persons concerned in the form of a considerable amount of money to be sent to the account of a bank in Warsaw. The anonymous blackmail messages were followed by epistles of a somewhat different character. They were signed first by "Colonel Ignace Snarsky Prince Roman Sangushko-Gedroitz" and later on by the same titled colonel and a few additional names. In the first of the new series of letters the immediate remittance of \$25,000 was requested, as well as the appointment as Chief Plenipotentiary Representative for the United States, whereupon the writer promises to exert his influence to have the Soviet Union recognized by the American Government and to obtain a loan of \$300,000,000, for which financial transaction he asks a special commission of \$250,000.

While this "diplomatic" letter, as well as the erstwhile blackmail epistles, made the impression of having been written by a person possessed of a disordered brain, the letters that followed showed clearly that there was method in that madness. They were no longer addressed to central authorities but to local Soviets and to private persons and contained requests for money accompanied either by "tearful" appeals or by threats, signed by the same Snarsky-Sangushko as "Chief Plenipotentiary Commissar in the United States" and by his "staff." The remittances were to be sent in care of General Delivery, Springfield, Illinois. The writers obviously speculated upon the naivete and gullibility of some particularly "innocent" provincials.

The latest trick to which these swindlers resorted was the following proposal written on a spurious letterhead bearing an illiterate French imprint of the "High Commissar of the Union of Soviet Socialist Republics," and addressed to a branch of the State Bank of the U.S.S.R.:

"Branch of the State Bank of the Soviet Union,
Krasnoyarsk, Siberia.

"In view of the forthcoming exposition for the restoration of credit operations and trade between the United States of North America and the Union of Socialist Soviet Republics (Siberia), I turn to you as the principal point of Central Siberia and beg you not to refuse my request to transmit to me, in the inclosed self-addressed envelope, the following currency credit notes of the Soviet Union in chervontsy, at present circulating in the U. S. S. R.:

- (1) 2 notes of 100 chervontsy each
- (2) 2 notes of 250 chervontsy each
- (3) 2 notes of 500 chervontsy each
- (4) 2 notes of 1000 chervontsy each

which credit notes are to show the American consumer

at a glance the sound position and paying capacity of the citizens of the U. S. S. R.; and after the exhibition has been viewed by the President all the credit notes transmitted will be returned in their entirety to the State Bank. The attached envelope with my address must be stamped with two wax seals and sent by registered mail; a notation showing the numbers and series of the notes transmitted should be included.

Chief Plenipotentiary Commissar of the U.S.S.R. for All of North America, Roman Sangushko.

Secretary, V. Tsvetkov.

Commissar of the Exposition, (signature illegible).

Two Deputies of the Exposition, Petro Demchun, Ivan Grigar."

The Moscow "Izvestia" in reprinting this letter sounds a general warning against the activities of the versatile crook Snarsky-Sangushko or whatever names he may assume in the future.

The Moscow Furniture Museum

The Furniture Museum was organized in Moscow in the course of 1919 and is the only one of its kind in the Soviet Union. It consists chiefly of nationalized private collections, although numerous pieces have been derived from the Armory and the Great Kremlin Palace.

The Museum has three divisions: The Production Section, the Russian Section, and the Foreign Section.

The exhibits in the Russian Section cover a period extending from the beginning of the eighteenth century to the end of the nineteenth. Among the particularly noteworthy objects in this division is a small inlaid table of Karelian birch made during the time of Catherine, which was shown at the Architectural Exposition in Leningrad during 1911. Also deserving of special attention are the old-time clavecins exhibited in the Historical Museum in 1812, specimens of wall brackets designed by Caffieri and exhibited at the Louvre, and Russian chandeliers produced during the eighteenth century.

The most completely represented in the Foreign Section is English furniture of the late seventeenth century period, including the William and Mary and the Queen Anne styles and examples of the work of Chippendale, Sheraton, and other English designers. Dutch furniture of the seventeenth and eighteenth centuries is also rather amply represented.

The Foreign Section has some interesting arm-chairs of Florentine workmanship of the fifteenth century. Worthy of special notice is a cabinet of French make by Persier and Fontaine from the Brocard collection, a piece which is mentioned in the learned work of Denis Roche.

Bound Volume III of the "Russian Review" 504 pages, containing all the issues published in 1925, as well as a comprehensive index, will be ready by New Year. Price \$5.00.