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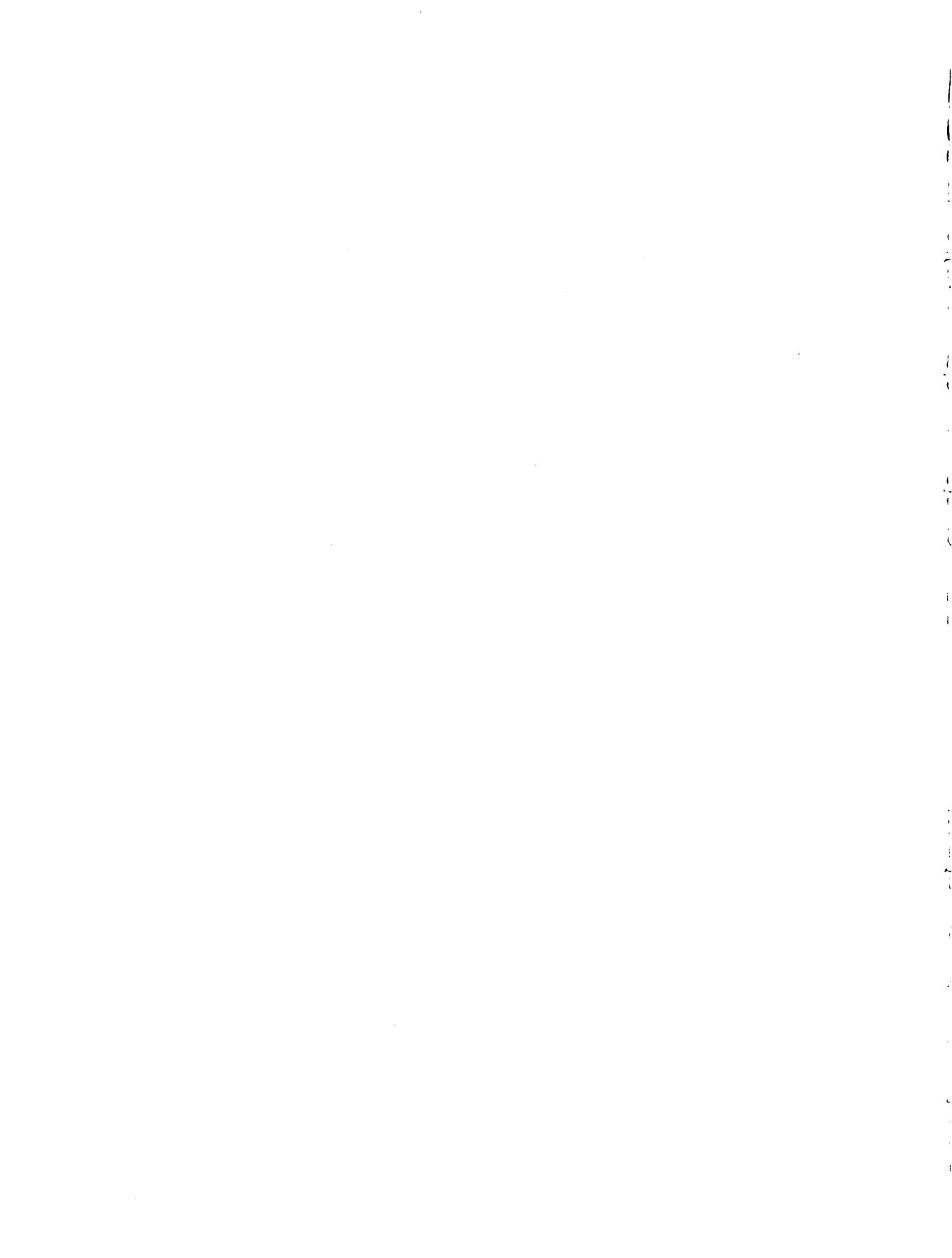
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RUSSIAN REVIEW

Fifteen Cents

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Five Years of Soviet Concession Policy

Scientific Progress in the Soviet Union

Activities of People's Commissariat for Health

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

The Soviet Union and the League of Nations

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Soviet Economic Achievements in 1924-25

IN A SPEECH delivered in Moscow on November 26, 1925, Mr. L. Kamenev, Acting Chairman of the Council of People's Commissars of the Soviet Union presented the following figures showing the economic recovery of the country:

The Soviet Union's total agricultural production was reckoned at \$4,179,740,000 in 1923-24, \$4,174,590,000 in 1924-25, and it is estimated at over \$5,150,000,000 for 1925-26.

The value of the output of the State industries was placed at \$955,067,500 in 1923-24, \$1,544,124,500 in 1924-25, and it is forecast at \$2,323,525,500 for 1925-26, the estimate being made according to pre-war prices.

The number of workers employed by the regularly reporting industrial enterprises was 1,516,700 in 1923-24, 1,846,900 in 1924-25, and the total is expected to rise to 2,300,000 during 1925-26 according to data prepared by the State Planning Commission.

The Soviet petroleum output, which amounted to 5,942,000 metric tons (equivalent to 64.5 per cent of the pre-war production) in 1923-24, rose to 6,946,000 metric tons (equal to 75.5 per cent of the pre-war production) in 1924-25, and according to the preliminary program it is to reach 8,548,000 metric tons, or 93 per cent of the pre-war output, during the present fiscal year 1925-26.

Analogous figures for some other commodities follow. Coal: 1923-24 output—15,189,000 metric tons (54.5 per cent of pre-war), 1924-25 output—16,056,000 metric tons (55.3 per cent of pre-war), 1925-26 production program—24,828,000 metric tons (86 per cent of pre-war). Martin steel: 1923-24 output—9,226,000 metric tons (22 per cent of pre-war), 1924-25 output—11,448,000 metric tons (44.3 per cent of pre-war), 1925-26 production program—29,918,000 metric tons (71 per cent of pre-war). Cast iron: 1923-24 output—6,605,000 metric tons (15.6 per cent of pre-war), 1924-25 output—13,034,000 metric tons (30.9 per cent of pre-war), 1925-26 production program—24,789,000 metric tons (58.7 per cent of pre-war). Cotton yarn: 1923-24 output—107,000 metric tons (25 per cent of pre-war), 1924-25 output—203,270 metric tons (48.7 per cent of pre-war), 1925-26 production program—295,020 metric tons (70 per cent of pre-war). Finished cotton goods—1923-24 output—913,642,000 yards

(35 per cent of pre-war), 1924-25 output—1,629,670,000 yards (62 per cent of pre-war), 1925-26 production program—2,372,840,000 yards (90.5 per cent of pre-war).

The business turnover of 291 State trusts during 1924-25 amounted to \$1,865,154,000, representing an increase of 52.4 per cent over the preceding fiscal year.

The business turnover of the 12 State syndicates for the same year showed an increase of 76 per cent and reached an aggregate of \$582,053,000.

The turnovers of the other State trading organizations for 1924-25 were double those of the previous fiscal year, aggregating \$412,000,000.

The increase in the business turnovers of the consumers' cooperatives for the elapsed fiscal year was equal to 55 per cent, the total ascending to \$1,915,800,000. During the current fiscal year 1925-26 it is planned to bring their aggregate business up to \$2,346,134,000.

In comparison with the foregoing fiscal year the total transactions of the agricultural credit cooperatives recorded an increase of 57 per cent, the total turnover for 1924-25 amounting to \$513,300,500.

The 24-hour average of freight car loadings was 13,500 in 1923-24 and rose to 17,398 in 1924-25, while it will apparently reach 22,000 during 1925-26.

The total freight traffic in 1923-24 was 67,543,000 metric tons. It increased to 82,623,000 metric tons in 1924-25 and is expected to aggregate 105,082,000 metric tons in 1925-26.

The volume of currency circulating in the Soviet Union rose from approximately \$322,956,000 in 1923-24 to approximately \$642,153,000 in 1924-25, an increase of almost 100 per cent.

The sum total of credits advanced to enterprises active in the country's economic life by the State Bank and the five leading joint-stock banks, was \$492,752,000 in 1923-24, \$1,028,455,000 in 1924-25, and it will probably augment to about \$1,545,000,000 in 1925-26.

The Soviet budget totaled \$987,255,000 for the fiscal year 1923-24, \$1,442,000,000 for 1924-25, and will probably reach about \$2,000,000,000 for 1925-26.

Soviet Agriculture in 1925

The 1925 harvest breaks the record for the Soviet Union and approaches the crop total for 1913. Figures issued by the Central Statistical Department under date of October 1, 1925 place the gross grain crop at 64,557,000 metric tons, which is 18,831,000 metric tons, or slightly over 41 per cent, greater than the 1924 grain crop.

The following table gives the gross harvest of individual grains for 1924 and 1925:

| Rye | 1924 Harvest | 1925 Harvest |
|-----------------------------|---------------|---------------|
| Bushels | 676,929,000 | 789,250,000 |
| Metric Tons | 17,262,000 | 20,139,000 |
| Wheat | | |
| Bushels | 380,580,000 | 646,140,000 |
| Metric Tons | 10,398,000 | 17,654,000 |
| Barley | | |
| Bushels | 174,225,000 | 270,225,000 |
| Metric Tons | 3,808,000 | 5,907,000 |
| Oats | | |
| Bushels | 507,488,000 | 666,338,000 |
| Metric Tons | 7,395,000 | 9,710,000 |
| Maize (Corn) | | |
| Bushels | 93,986,000 | 146,443,000 |
| Metric Tons | 2,397,000 | 3,734,000 |
| Other Grains | | |
| Bushels | 196,128,000 | 325,584,000 |
| Metric Tons | 4,466,000 | 7,413,000 |
| Total Bushels | 45,726,000 | 64,557,000 |
| Total Metric Tons | 2,029,336,000 | 2,843,980,000 |

The wheat crop increased 7,256,000 metric tons, or 69.8 per cent; rye—2,877,000 metric tons, or 16.6 per cent; barley—2,099,000 metric tons, or 55 per cent; etc.

Noteworthy among the data available on the harvest of industrial raw material ("technical") crops are the figures showing a total flaxseed yield of 624,600 metric tons as against 427,900 metric tons in 1924 (an increase of 46 per cent), hemp seed—564,000 metric tons as compared with 332,800 metric tons in 1924 (an increase of 70 per cent), and sunflower seed—3,159,000 metric tons as against 1,459,000 metric tons in 1924 (an increase of 116 per cent).

Considerable progress was made during 1925 in the Soviet live-stock situation, as indicated by the following figures published by the Central Statistical Department concerning the size of the herds in 1925 as compared with 1924:

| | Total, 1924 | Total, 1925 |
|---------|-------------|-------------|
| Horses* | 23,854,200 | 25,121,200 |
| Cattle* | 51,420,300 | 53,779,300 |
| Sheep | 74,420,300 | 82,865,600 |
| Goats | 4,019,300 | 4,902,000 |
| Hogs | 17,671,700 | 17,230,400 |
| Camels | 689,400 | 730,800 |

During the course of the year the number of horses increased by 1,267,000 head, or 5.3 per cent; cattle—2,359,000 head, or 4.6 per cent; and sheep—8,445,300 head, or 11.3 per cent.

*The figures given in the December 1, 1925 issue of "The Russian Review" (page 472) do not refer to the entire Soviet Union but only to Soviet Russia proper.

The State Bank in 1924-25

The balance sheet total of the State Bank increased from \$837,382,000 (1,618,800,000 rubles) on October 1, 1924 to \$1,760,450,000 (3,430,000,000 rubles) on October 1, 1925 according to preliminary figures, representing an increase of nearly 100 per cent. The bank continued its organizational growth during the fiscal year, augmenting the total number of its branches from 332 in February 1924 to 457 on October 1, 1925. Considerable importance attaches to the agreement concluded by the State Bank with the People's Commissariat for Finances, whereby beginning with October 1, 1925 all the local and central depositories of the Commissariat for Finances, about 640 in number, are reckoned among the institutions belonging to the State Bank and receive the right to carry on the simplest forms of banking operations, while their liquid resources are united with those of the State Bank. The enhanced economic strength of the State Bank is also illustrated by the growth of its capital resources. On October 1, 1925 its total capital resources, including original capital stock, capital reserves and surplus, amounted to \$64,632,500 (125,500,000 rubles).

The following table shows the development of the loan and discount operations carried on by the State Bank of the Soviet Union during the elapsed fiscal year:

| | Oct. 1, 1924 | Oct. 1, 1925 |
|---|---------------|---------------|
| Draft Credits | \$137,917,000 | \$387,177,000 |
| Other Loan and Discount Operations | 141,625,000 | 252,298,500 |
| Balance of Grain Operations Account | 34,350,500 | 132,200,500 |
| Total | \$313,892,500 | \$771,676,000 |

During the course of the fiscal year 1924-25 the aggregate outstanding under the operations in question accordingly increased by \$457,783,500, or 145.8 per cent.

The Third Anniversary of the Chervonets

November 27, 1925 marked the third anniversary of the "Chervonets" whose introduction was the first step in the rehabilitation of the Soviet Union's monetary system and the establishment of a stable currency. Until 1924 the Chervonets, a stable monetary unit equivalent to ten gold rubles, existed concurrently with the steadily depreciating Soviet paper rouble. Since the introduction of the monetary reform in 1924 and the discontinuance and withdrawal of the Soviet paper rouble issues, the Chervonets has become the unit of the Soviet Union's monetary system. At present the Chervonets is capable of holding its own with any currency in the world.

Chervonets quotations abroad stand at its parity level. It is now quoted not only on the exchanges of countries bordering on the Soviet Union, but also in Italy and Austria.

Chief Concessions Committee

NOVEMBER 23, 1925 completed the fifth year since the issue of the Soviet decree covering the economic and juridical conditions for concession grants.

At first, in 1921, the Concessions Committee was organized in connection with the State Planning Commission. It was designed to coordinate and direct the work which had formerly been done by the individual People's Commissariats in conjunction with the conclusion of concession agreements. During the same period a special Commission on Matters relating to Mixed Companies (i. e., companies with the joint participation of State and private capital) was organized under the supervision of the Council of Labor and Defense. Practice soon showed that there should be the most intimate connection between the work of the Concessions Committee and that of the Commission on Matters relating to Mixed Companies. On April 4, 1922 the Council of People's Commissars published a decree "concerning the establishment of a Chief Committee on Matters pertaining to Concessions and Joint-Stock Companies, in connection with the Council of Labor and Defense." In this regard the preamble to the decree pointed out that the committee was founded "on the one hand, to eliminate duplication of work and disagreements in the award of concessions, and, on the other hand, to confirm the by-laws of joint-stock companies."

The first edition of the Civil Code provided that the by-laws of joint-stock companies should come before this Committee for examination.

The development of joint stock companies occasioned by the new economic policy and the special character of the questions connected with the granting of concessions led to the necessity of creating a special body that might "consider and weigh" all problems concerning the conclusion of concession agreements and that might, through its authority, coordinate the discordant activities of the separate departments in this field.

On March 8, 1923 a decision was issued regarding the establishment of the Chief Concessions Committee to be attached to the Council of People's Commissars. According to the tenor of this decision the Chief Concessions Committee is a consulting body preparing drafts of concession agreements for presentation to the Council of People's Commissars and conducting negotiations with concession applicants.

The creation of an authoritative organ to look after all concession matters was not slow to bear fruit. Whereas only 18 concession agreements were concluded during the course of the two years preceding the publication of the decision concerning the Concessions Committee, during the two and a half years from March 8, 1923 to October

1, 1925 the work of this Committee has resulted in the closing of 92 concession contracts.

The organization of the Union of Soviet Socialist Republics was naturally bound to have an effect upon the structure of the Chief Concessions Committee. The process of centralization in matters concerning the conclusion of concession agreements which found expression in the decision of March 8, 1923 on the Chief Concessions Committee, underwent further development, so that now all concessions, even though they concern but a single one of the Constituent Republics, are examined and passed upon by the only Federal concession committee.

The increase in the number of concession agreements concluded evoked the necessity of supervising the execution of such contracts, and in August 1925, by virtue of a special decree of the Council of People's Commissars, a Permanent Commission was organized within the Chief Concessions Committee to look after the execution of concession agreements.

Up to the end of 1922 338 applications for concessions had been submitted; 607 were received in 1923; 311 in 1924, and 199 in 1925 (up to October 1), making a total of 1,500 for the entire period.

In this connection it must be observed that while the number of concession applications submitted has decreased, their average importance has augmented. The same remark applies to the number of concession agreements concluded. Up to the close of 1922, 18 concession agreements had been concluded; 44 were concluded in 1923, 25 in 1924, and 23 in 1925 (up to October 1).

Progress of Electrification

THE current fiscal year 1925-26 (beginning October 1, 1925) will see the close of the fifth year since the adoption of the program of State electrification in the Soviet Union. In this connection it is interesting to summarize the details furnished by Mr. S. A. Kukel, Head of the Electrification Division of the Chief Department of the Electrical Industry, concerning the execution of the electrification plan with respect to both the work already accomplished and the further achievements assured during the current fiscal year by the budget appropriations.

Toward spring of 1926 two electric power stations will be operating at the full capacity provided for by the program of the State Commission for the Electrification of the Republic, namely: the Volkhov plant with a capacity of 56,000 kilowatts and the Shatura plant with a capacity of 48,000 kilowatts.

Five stations will have the nucleus of their installations under exploitation. Three of these—the Red October, Kashira, and Kizelov Stations—

have already been in operation for over a year. It was expected that by the end of the calendar year 1925 the regional stations of Shterov and Nizhni-Novgorod would begin to function.

The construction of the following four electric power plants will be started during the fiscal year 1925-26: Kharkov, Artemovsk (formerly Bakhmut), Altai, and Saratov. The erection of the Cheliabinsk station is also included in the program, but the requisite credits have not been assured as yet.

The Egorshink and Tashkent electric power stations, which are to be regional plants according to the plans of the State Commission for the Electrification of the Republic, will be constructed temporarily as local stations.

There are projects for the construction of three giant power stations, the Dnieper River Station ("Dnieprostroy") and the two Svir River Stations, extensive surveys having been carried out to draw up the plans.

In general, out of the thirty electric power stations called for by the electrification program, fourteen are finished or under construction. Plans have been drafted for three other plants, while nothing has as yet been done toward the erection of the remaining thirteen. The capacity of the seventeen constructed, building, and planned stations aggregates 712,500 kilowatts, while the capacity of the other thirteen will amount to 1,037,500 kilowatts.

To a certain extent the unexecuted part of the program of the State Commission for the Electrification of the Republic is compensated by the construction of two stations not included in its plans, i. e., the Zemo-Avchal and the Lyapin Stations, as well as several large stations of local scope, such as those at Kiev, Sverdlovsk, (formerly Ekaterinburg), Krivoy Rog, Alexandrovsk, Kondopoga and other places. The electric power plants at Baku are also being enlarged.

Of considerable capacity are also the public power stations, as well as the factory and mill electric power plants which attend to the needs of the various counties. They were constructed since the time that the program of the State Commission for the Electrification of the Republic was confirmed. The aggregate capacity of these stations is 480,400 kilowatts.

| 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 rouble equals \$514. | |
| 1 kopeck equals .01 of a rouble. | |
| 1 chervonetz equals 10 gold rubles; its gold parity is \$5.14. | |

Growth of Trade Unions in U.S.S.R.

THE progress of national economic life in the Soviet Union during the fiscal year 1924-25 and the increase in the number of workers employed by the various enterprises was bound to promote the growth of trade union membership and the financial strengthening of the trade union organizations. Thus, the Central Federation of Trade Unions embraced an aggregate of 6,950,484 individual members on April 1, 1925, representing an increase of 17.6 per cent over the corresponding total of 5,822,682 for April 1, 1924; and it was estimated that the total membership had risen to 7,000,000 on October 1, 1925, which would be 8.8 per cent more than the aggregate membership of 6,430,470 on October 1, 1924.

The following tables show the increases in the membership of the trade union federations for the various branches of national economy:

Number of Individual Members in the Federations

| Name of Federation | April 1924 | April 1925 | Percentage |
|---|------------------|------------------|----------------------------|
| | | | Increase(+) or Decrease(-) |
| <i>Agriculture:</i> | | | |
| Agric. and Forest Workers | 297,868 | 497,636 | + 67 |
| <i>Industry</i> | | | |
| Paper Workers | 28,601 | 32,418 | + 14 |
| Mine Workers | 294,918 | 282,283 | - 4 |
| Wood Workers | 127,871 | 175,045 | + 37 |
| Leather Workers | 94,483 | 109,506 | + 15 |
| Metal Workers | 541,135 | 618,482 | + 17 |
| Printers | 81,132 | 94,142 | + 16 |
| Food Workers | 275,107 | 341,749 | + 25 |
| Sugar Workers | 58,799 | 129,747 | +120 |
| Building Workers | 211,937 | 316,634 | + 49 |
| Textile Workers | 502,481 | 624,147 | + 24 |
| Chemical Workers | 162,358 | 180,662 | + 12 |
| Needle Workers | 57,322 | 65,079 | + 14 |
| Total | 2,436,139 | 2,969,884 | + 22 |
| <i>Transport and Post and Telegraph</i> | | | |
| River Transport | 139,366 | 139,412 | + 03 |
| Railway Workers | 769,500 | 805,588 | + 5 |
| Marine Workers | 147,242 | 164,919 | + 12 |
| Post and Telegraph | 102,906 | 102,006 | - 09 |
| Total | 1,159,014 | 1,211,925 | + 5 |
| <i>Employees in Public Institutions</i> | | | |
| Art Workers | 72,862 | 75,720 | + 4 |
| Medical and Health | 343,073 | 382,615 | + 12 |
| Educational | 526,692 | 585,021 | + 11 |
| Soviet Employes | 722,025 | 894,467 | + 24 |
| Total | 1,664,652 | 1,937,823 | + 17 |
| <i>Other Branches</i> | | | |
| Municipal Workers | 175,381 | 198,083 | + 13 |
| Public Feeding | 89,628 | 135,133 | + 50 |
| Total | 265,009 | 333,216 | + 26 |
| Grand Total | 5,822,682 | 6,950,484 | + 21 |

The total trade union membership thus grew by 1,127,802, or 21 per cent, during the course of one year. Undoubtedly, the increase in the number of workers was larger than this, since not all the new workers had as yet been drawn into the unions.

Reduction of Unemployment in the U.S.S.R.

The general economic progress in the Soviet Union during the fiscal year 1924-25 could not but be reflected in the situation of the unemployed. The renewed activity in the labor market, starting concurrently with the development of the fundamental branches of national economy, is increasing from month to month. Thus, the number of workers employed in the Soviet metal industry was 415,900 on July 1, 1924; 466,500 on January 1, 1925, and 547,300 on July 1, 1925, the aggregate increase for the year amounting to 131,400, or 31.6 per cent.

In the textile industry the employed labor force was 459,200 on July 1, 1924; 466,500 on January 1, 1925, and 593,800 on July 1, 1925, showing a rise of 134,600, or 29.3 per cent, for the year.

The chemical industry augmented its total working force by over 50 per cent during the year in question.

Soviet industry as a whole employed 1,903,800 workers in 1924 and 2,240,000 in 1925, representing an increase of 336,200, or 17.7 per cent.

The number of calls for labor help received by the employment exchange shows a considerable increase. In 1925 the seventy provincial employment exchanges placed 98,372 persons during the month of May, 103,635 during June, 107,307 during July, and 102,357 during August, making a total of 411,671 for the four months.

In conjunction with this the struggle against unemployment was carried on by other means during 1924-25. The social insurance treasuries expended \$15,450,000 for the payment of unemployment benefits. Every month 300,000 unemployed workers received such benefits. For the unskilled groups of the unemployed the authorities organized public works, which furnished employment for 40,000 men during the seven fair weather months of the year.

From Federal and local sources the sum of \$5,145,000 was allotted for public works. These have included city improvement, the construction of parks and squares, and the building and repair of roads.

The number of various collective enterprises for the employment of persons out of work increased considerably during 1924-25, the total for the entire Soviet Union amounting to 2,000 organizations with an aggregate of 100,000 individual members.

The number of unemployed persons registered at the labor exchanges on September 1, 1925 was 1,000,000, having declined 37.8 per cent from the total of 1,378,000 on April 1, 1924. The unemployment totals for April 1, 1924 and August 1, 1925 were made up of the following percentages of different classes of workers:

| Class of Workers | Percentage of Unemployment Total | |
|---------------------|----------------------------------|----------------|
| | April 1, 1924 | August 1, 1925 |
| Industrial | 20.7 | 19.9 |
| Brain-workers | 34.1 | 22.4 |
| Laborers | 26.1 | 42.1 |
| Semi-skilled | 19.1 | 15.6 |
| | 100.0 | 100.0 |

It is interesting to compare this available labor force on the market with the estimated number of additional workers that will be required by Soviet industry during the fiscal year 1925-26. For the industrial enterprises that make regular statistical reports this labor demand is placed at 433,200 new workers, of whom 42.5 per cent will be skilled, 27 per cent semi-skilled, and 30.5 unskilled.

During 1925-26 the Central Department of Social Insurance plans to distribute \$25,750,000. By means of these funds 400,000 unemployed will receive monthly benefits of \$9.00 to \$6.00 in Moscow and \$6.00 to \$4.00 elsewhere in the Soviet Union.

During the current fiscal year the Federal Government will expend \$7,733,000 (as against \$6,530,000 in 1924-25) for public works and training of unemployed persons, while an additional \$1,609,000 will be appropriated out of local resources for the same purpose. About 29,000 unemployed workers will be engaged daily on public works, and the special collective enterprises will take in approximately 40,000 more persons who are out of work. In addition to this 20,000 unemployed will be given industrial training, workshops with living quarters will be organized for 10,000 juvenile workers who are unemployed, and lodgings and sanitary facilities with accommodations for 10,000 persons will be provided for the jobless who are going out to work.

The trade unions propose to spend about \$3,090,000 for assisting the unemployed, as compared with \$2,120,000 disbursed by them for this purpose in the course of 1924-25.

The sum total of all the appropriations to combat unemployment in the Soviet Union during the fiscal year 1925-26 comes to about \$38,183,000.

The Russian Information Bureau has received a number of copies of the **Official Report of the British Trades Union Delegation to Russia**

Health Commissariat at Work

ON NOVEMBER 19, 1925 reports on health and cultural work among the various nationalities in the Soviet Union, especially among the more backward peoples, were presented to a session of the Presidium of the Council of Nationalities, which is one of the two chambers constituting the Central Executive Committee.

The report on health activities was read by the People's Commissar for Health of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) which is one of the Constituent Republics of the Soviet Union. He began by pointing out that the old Tsarist Empire had left a grievous heritage behind it in the health field. The darkness and ignorance prevailing among the backward nationalities serve as a broad highway for the spread of the most dreadful diseases. The unhygienic and distressing living conditions facilitate the dissemination of such infections as syphilis and tuberculosis. In some places of distant regions large sections of the population are infected with syphilis. Strange as it may appear, tuberculosis is most frequent among mountaineer women. This is explained by the fact that it is an ancient custom with them to lace up the bust of girls in a leather corset from early years, so that their physique does not develop properly.

Malaria and trachoma are also widely prevalent. Various investigations by the People's Commissariat for Health have revealed that there are villages where half of the children of nursing and school age are afflicted with trachoma.

The Commissar's report also dwelt upon the very serious problem of the degeneration of various nationalities inhabiting the Siberian territory. The tuberculosis death rate among the Buryats is six times higher than among the Russian population. A large percentage of fatalities from this cause is likewise observable among the Kalmucks in the South East of the European territory of the Soviet Union.

Alcoholism is one of the consuming scourges that are contributing not only to the degeneration, but also to the extinction, of the backward nationalities.

As regards the measures adopted by the People's Commissariat for Health in its activity among the backward nationalities, the report stated that the support furnished by the Federal budget plays an important role in this question. During recent years it had proved possible to increase the medical service among the national minorities through the organization of medical and first-aid stations, the erection of new hospitals, and the addition of more beds. Special groups of the People's Commissariat for Health visit the most remote localities of the Soviet Union to combat malaria and venereal diseases.

Traveling medical consultation sections have been established to serve the nomad population in the sphere of maternity and youth protection. Great work is being done, too, along this line by Red Cross detachments, which not only carry on investigations, but also give practical medical assistance to the population.

While the backward nationalities showed distrust of the medical measures adopted by the People's Commissariat for Health during the early years of the revolutionary period, a contrary attitude is to be observed at present. The inhabitants now bitterly protest against the departure of the medical division and insist that it supply further medical aid to the region in question. The extent to which these people are beginning to have faith in medical help is illustrated by a characteristic incident that occurred in the case of one of the physicians temporarily assigned to duty in a remote locality by the People's Commissariat for Health. When all the entreaties of the local population for his stay had proved of no avail and the doctor was getting ready to leave notwithstanding them, the inhabitants went to their shaman, took away all his insignia of priesthood, and, returning to the physician, declared him their shaman.

The assistance rendered by the People's Commissariat for Health to the national minorities is far from being adequate, and a great deal of work is still indispensable in this regard. In conclusion the Commissar remarked that the insufficient medical aid hinders the struggle against the activities of the witch-doctors the belief in whom is still widely prevalent among many nationalities.

The succeeding exchange of opinions among the members of the Presidium of the Council of Nationalities in connection with the foregoing report brought out the necessity of promoting independent activity among the backward peoples and creating the requisite condition for attracting them into public work.

In appraising the work of the People's Commissariat for Health, the Presidium of the Council of Nationalities, in view of the complete absence of medical and medico-educational work among the backward peoples in Tsarist years, recognized that the Commissariat has made considerable progress in bringing the broad masses of the population in the Autonomous Republics and Areas within the Russian Socialist Federated Soviet Republic into contact with the benefits of medical practice. After hearing similar reports from other Constituent Republics the Presidium of the Council of Nationalities agreed upon the necessity of adopting measures of Federal scope for health and sanitation work among the inhabitants of the backward republics and areas in the Soviet Union.

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

Interview with Litvinov on League of Nations

THE following interview was given to the press on November 23 by Mr. Litvinov, Acting Commissar for Foreign Affairs of the Soviet Union:

Lately in various parts of the world the press has begun to spread rumors to the effect that the Soviet Government is about to depart from its former position with regard to the League of Nations. Some newspapers have even commented on these rumors in leading articles, in which isolated sentences detached from their context in articles in the Soviet press and in interviews with representatives of the Soviet Union abroad have been subjected to distortion and arbitrary interpretations. There is no doubt that the appearance of all these reports and comments was not accidental. The time of their publication coincides with the date of the conclusion of the well known Locarno pacts and, evidently, they are prompted not only by the optimistic mood created in the political circles of Europe and America after Locarno, but also by the desire to ease the acceptance of these compacts in different countries by that section of public opinion in which the agreements arouse more or less distrust in view of their possible use against the Union of Soviet Socialist Republics. It may be surmised on good grounds that the position recently supposed to have been taken by the Soviet Government toward the League of Nations and Locarno, is expressly inspired by certain circles in their own interests.

I consider it necessary to dissipate these artificially created misunderstandings and to declare with the utmost emphasis that all these rumors and comments in no way correspond with the intentions of the Soviet Government. The League of Nations is, as heretofore, regarded by us not as a friendly association of nations working for the general welfare, but as a masked alliance of the so-called Great Powers, which have arrogated to themselves the right to dispose of the destinies of weaker peoples. The fact that Germany, a country defeated and weak in a military sense, is now entering it does not alter the character of the League, in which a few powers count only upon utilizing Germany as an accessory in the accomplishment of their plans in general and of their hostile intentions against the Union of Soviet Socialist Republics in particular.

The Soviet Government, more than any other, is interested in the consolidation of peace on the basis of independence and self-determination for all peoples. From this viewpoint it would welcome the creation of an international organization

in which and through which each people might realize its rights of national sovereignty, and all nations might settle by peaceful and amicable means the differences arising amongst them. But the Soviet Government regards the League of Nations as anything but an approach to such an organization. Up to the present the League of Nations has not justified in the least measure those expectations and hopes which its advocates placed in it. As yet it has not only not protected the rights and safety of any small and weak nationality even once against violence and military aggression by stronger powers, but until now it has also failed to take any serious steps with respect to the chief question which most keenly interests all mankind and ourselves in particular—the question of disarmament.

The League is a screen for the preparation of military actions for the further oppression of small and weak peoples. To a considerable extent it is nothing but a diplomatic exchange, where the strong powers arrange their affairs and effect a mutual settlement of their accounts behind the backs and at the expense of the small and feeble nations. The Union of Soviet Socialist Republics, as a nation of the working masses, cannot assume responsibility for the League of Nations which puts the seal of its approbation on the enslavement and exploitation of other peoples. Inspired only with the single desire of avoiding any complications that might disturb the general peace and especially the progress of its great work of internal construction, and continuing its policy of non-interference in the domestic affairs of other nations, the Union of Soviet Socialist Republics does not feel the least inclination to enter an organization in which it would have to play the role either of the hammer or of the anvil. In particular, the Soviet Union knows that it would there find itself faced, in the guise of contracting parties and even of judges, by many countries which have not even recognized the Soviet Union and therefore do not even conceal their enmity toward it, as well as by nations which in spite of the fact that they have granted recognition, are even now assuming an attitude of ill-disguised hostility toward the Soviet Union. You may accordingly communicate to the public of your countries that all rumors of the occurrence of any change in the position of the Soviet Government with regard to the League of Nations and, incidentally, with regard to Locarno, are altogether unfounded and that the Union of Soviet Socialist Republics, like the United States of North America, is firmly determined for the future, as hitherto, to stand aloof from such organizations.

Foreign Consular Representatives in the U. S. S. R.

The following is an official list of the foreign consular representatives in the Soviet Union as of November 15, 1925:

Afghanistan: A consul general at Tashkent and a consul at Merv in Turkestan;

China: A consul at Kharkov; a consul general at Semipalatinsk; a consul general at Vladivostok; a consul general at Blagoveshchensk; a consul at Chita; a consul at Nikolsk-Ussuriysk; a consul general at Khabarovsk; a consul at Troitsko-Savsk; a consul at Nikolayevsk-on-the-Amur; a consul general at Irkutsk; a consul general at Leningrad.

Denmark: A consul general at Leningrad covering the Provinces of Leningrad, Archangel, Novgorod, Pskov, Vologda, Cherepovetz and Tver.

Finland: A consul general at Leningrad.

Germany: A consul general at Leningrad covering the Provinces of Leningrad, Pskov, Novgorod, Cherepovetz, Vologda, Archangel, North-Dvinsk, Murmansk and the Autonomous Area of Komi (Zyryan); a consul at Novo Nikolayevsk covering the Autonomous Soviet Socialist Republics of Kirghizia ("Kazakistan"), Yakutia and Buryat-Mongolia, as well as five districts and six provinces of Siberia.

Great Britain: An agent at Vladivostok covering the Far-Eastern Region and an agent at Leningrad.

Italy: A consul general at Tiflis covering the Transcaucasian Socialist Federation of Soviet Republics, the Georgian Soviet Republic, the Daghestan Soviet Republic, the Kabardian-Balkarsk, the Karachai-Circassian and the Chechen Autonomous Areas of the North Caucasian Region; a consul at Leningrad covering the Provinces of Leningrad, Pskov, Novgorod, Cherepovetz, Archangel, Murmansk, Vologda, Veliki-Ustiug, Vyatka and Kostroma, and the Autonomous Area of Komi (Zyryan); a temporary acting consul general at Odessa covering the Ukrainian Soviet Republic, the Crimean Soviet Republic, the Don Area, the Kuban-Black Sea Area and the Autonomous Adigheh-Circassian Area.

Japan: A temporary consul general at Vladivostok; a temporary consul at Alexandrovsk; a consul general at Khabarovsk; a consul at Petropavlovsk, and a consul at Blagoveshchensk.

Latvia: A consul general at Leningrad, and a consul at Vitebsk covering the White Russian Soviet Republic.

Norway: A vice-consul at Krasnoyarsk; a consul at Leningrad covering Leningrad and Novgorod Provinces and the Autonomous Karelian Soviet Republic; a consul at Archangel covering Archangel Province, and a vice-consul at Moscow covering Moscow Province.

Persia: A consul at Astrakhan covering the Provinces of Astrakhan, Stalingrad (formerly

Tsaritzyn), and Samara, the Autonomous German-Volga Republic and the Tatar Soviet Republic; a consul general at Tashkent covering the Turkoman Soviet Republic and the Ferghana Region; a consul at Rostov-on-the-Don; a consul at Novorossiysk covering the Kuban-Black Sea Area; a consul at Vladikavkaz; a consul general at Baku covering the Azerbaijan Soviet Republic; a consul at Poltoratsk covering the Turkoman Soviet Republic; a consul general at Tiflis covering the Georgian Soviet Republic; a consul at Batum covering the Autonomous Adjarian Soviet Republic; a consul at Erivan covering the Armenian Soviet Republic; a vice-consul at Makhach-Kale covering the Daghestan Soviet Republic; a vice-consul at Lenkoran; a consular agent at Krasnodar (formerly Ekaterinodar); a temporary acting consular agent at Saratov; a consular agent at Armavir; a consul at Nakhichevan covering the Nakhichevan Autonomous Republic; a consul at Ganja (formerly Elizavetpol) covering the Ganja Region in Azerbaijan; a consular agent at Sukhum covering the Abkhasian Autonomous Soviet Republic and the cities of Sochi and Tuapse.

Poland: A consul general at Kharkov covering the Ukrainian Soviet Socialist Republic.

Sweden: A consul at Leningrad, and a vice-consul at Archangel covering the Province of Archangel.

Turkey: A consul general at Tiflis; a consul at Baku; a consul at Batum covering the Autonomous Adjarian Soviet Republic; a consul at Leninakan (formerly Alexandropol), and a consul general at Odessa.

P A M P H L E T S

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Cultural Life in the Soviet Union

Karpov Chemical Institute

The Karpov Chemical Institute was created in its entirety during the Soviet regime. It has grown steadily since its establishment in 1918 and about three years ago it was transferred to a specially equipped building. At the present time over fifty chemists are working in this institute, which is headed by Prof. A. N. Bach. The institute has the requisite laboratory equipment at its disposal for carrying on various lines of research, and in the near future work will be started on the construction of a test factory in connection with the institute, so that the methods devised in the laboratory may be tried out on a practical scale.

Deserving of first mention among the things already accomplished by the Karpov Chemical Institute and industrially applied, is the elaboration of a method for the coagulation of peat, which is a splendid example of the application of the theoretical conceptions of colloidal chemistry to a practical problem. This method, whereby peat washed into suspension by a stream of water is precipitated by the addition of a colloidal hydrate of iron oxide, is being employed at present by the Hydro-Peat Department ("Gidrotorf") and has aroused considerable interest abroad. Under the conditions prevailing in the Soviet Union it is evidently the most effective method for the production of peat fuel.

Another field where the results of work done by the institute have already been practically applied, is the preparation of artificial insulating materials, the so-called "carbolites," which are needed in the electrical industry. "Carbolite" is a substance obtained by condensing formalin with the cresols and may be used instead of ebonite. It may also be produced in a transparent form and employed for many purposes.

Under instructions from the Technical Council of the Chemical Industry the institute carried out an extensive study of the best conditions for producing a high grade of bleaching powder. The results of this investigation are now being utilized at the Donets Soda Works of the Coal Chemical Trust ("Khimugol").

The Karpov Chemical Institute has devised an entirely new method for producing formalin through the oxidation of natural gases. Last autumn the Azerbaijan Oil Trust began the erection of an experimental plant at Baku to try out this process.

A problem of lively immediate interest at the moment is the recovery of copper and zinc from brass shavings, of which there is a great quantity available in the Soviet Union. Moreover, a severe shortage of copper is being felt at the present time. A method worked out for this purpose

by the institute has been tested at the Schlüsselburg Powder Factory and has yielded very favorable results. This process permits the extraction of all the copper and the utilization of the zinc in the form of zinc white or zinc chloride, the latter being employed for treating railroad ties.

The institute has also conducted a series of investigations on the chemical differences of Russian coals, principally those of the Moscow Province and Kuznets Basin fields.

Among the theoretical researches carried on by the Karpov Chemical Institute it is worth while mentioning an investigation establishing a connection between the ferment contents of seeds, the conditions under which they were harvested and their rate of germination, and a study of the properties of surface soils.

Conference of Psychiatrists and Neurologists

The Second All-Russian Psychiatric and Neurological Conference was held in Moscow during the month of October, 1925. The Conference was attended by about two hundred and fifty physicians, including Profs. Bekhterev, Rossolimo, Ganushkin, Minor, Giliarovsky, and Kannabikh.

Mr. Semashko, People's Commissar for Health, pointed out in his introductory remarks that the Conference was confronted with the highly important task of creating an organization for psychiatric healing in the Soviet Union. He added that special attention must be paid to prophylactic work.

Papers were read on the prophylactic phases of psychiatric healing, on the new organizational principles of this work, and on psychiatric organization in Moscow.

Dr. Prozorov stated, in a report on the situation of neuropsychiatric healing in the U.S.S.R., that there were 80 psychiatric institutions in the Republic. During one year about 40,000 psychiatric cases passed through the hospitals. Mortality in these hospitals was 7 per cent less than pre-war.

The work of the Conference showed that neuropathology and surgery are on the eve of extensive scientific achievements.

In a paper on treatment of syphilis, Dr. Morgulis indicated that under modern conditions a physician is able to prevent serious infection of the nervous system of persons who have contracted syphilis. For this purpose the cerebro-spinal system has to be examined every three months and the treatment should be commenced at the first signs of membrane infection.

Dr. Garingtonov-Popov presented interesting data on the results of treating progressive paralysis by malarious injections, as practised in certain hospitals in the Soviet Union.

Dr. Kozhevnikov referred to a new method of investigating the brain with the aid of air blown into the cerebral region. Thanks to this method, X-rays give a complete and accurate picture of the conditions of the brain. In some cases the extraction of matter and the introduction of air have themselves given good curative results.

Dr. Bruskin cited examples of the treatment of paralysis and epilepsy by the removal of cerebral tumors.

In its resolutions the Conference expressed agreement with Mr. Semashko's opinion concerning the fundamental importance of prophylactic work in neuro-psychiatric malades. The Conference recognized that its immediate task is the organization of neuro-psychiatric dispensaries and a record system for mental cases.

The Conference recommended the adoption of measures for improving the health conditions in the schools.

With regard to the problem of alcoholism the Conference pointed out the necessity of curtailing the number of liquor shops, shortening their hours of business, forbidding sale of intoxicating beverages on the railways, etc.

Results of Work by Geologic Committee in 1925

The discoveries of new resources of mineral wealth in the Soviet Union, so necessary for industrial reconstruction, are steadily being extended.

A test boring made with a diamond drill by a prospecting party of the Geologic Committee in Solikamsk in the northern Ural traversed layers of mineral salts rich in potassium. The thickness of the layers, which contain about 27 per cent of potassium salt, is slightly less than a meter.

New deposits of high-grade bauxite have been discovered in the Tikhvin region.

In the Nerchinsk district of Transbaikalia arsenic ores similar to those of the Ural mines have been found.

Prospecting operations for tin along the Onon River in Transbaikalia have brought to light new deposits of this metal surpassing in extent any hitherto known.

In the Irkutsk region iron ore deposits of the Krivoy Rog type have been located with a reserve exceeding 16,000,000 metric tons. In the same region the Geologic Committee has discovered new deposits of boghead coal, a find that is of substantial importance now that the technological and economical feasibility of utilizing this boghead fuel as a basis for the chemical industry has been almost conclusively demonstrated.

Surveys for sulphur in the Chekur-Koyasha region of the Kerch Peninsula have revealed new reserves.

The industrial importance of the petroleum resources on Sakhalin Island has been established.

Motion Pictures for Peasants

In the near future the "Kultkino" (Cultural Motion Picture Company) will begin to organize the production of rural films, closely connecting its work along these lines with the People's Commissariat for Agriculture and other interested organizations. Each title will be elaborated in a scenario of two parts, one an artistic cultural story casting light upon the fundamental productive factors, and the other a scientific supplement treating the technical factors of production and individual agricultural methods. Each film will be accompanied by special descriptive matter for the delivery of a lecture at the time that the picture is shown. The total length of the film is intended to average 1,800 meters, of which up to 1,200 meters will be devoted to the artistic part. Simultaneously with the organization of agricultural film production the "Kultkino" will adopt measures to improve and cheapen the circulation of the traveling motion picture theaters.

Producing Film of 1905 Revolution

In Leningrad on November 26 the Northwestern Motion Picture Company ("Sevzapkino") staged the first of a series of vast scenes portraying incidents in the events of 1905 for the moving picture entitled the "Ninth of January." The setting included over 500 actors, more than 2,000 supernumeraries, several squadrons from the cavalry school, and other groups. For several hours an entire section of the city was turned back twenty years. Horse cars ran on Kamenny Ostrov instead of electric trolleys. All the militia posts were replaced by heavy detachments of Tsarist mounted and unmounted police, and the streets leading to Kamenny Ostrov were shut off on all sides by soldiers of the old Semenovskiy and Finnish regiments. The massacre of the demonstrating workers on Troitsky Bridge by the Cossacks was staged. These scenes will form part of the film to be shown at the celebration of revolutionary anniversaries.

Public Education in the U.S.S.R.

At the opening of the current scholastic year 1925-26 there were 130,000 primary schools and seven-year-course schools throughout the Soviet Union. It was planned to open 50,000 more, which would represent an increase of 38.5 per cent in the public school system.

To prepare for the introduction of universal public education throughout the Soviet Union, it is planned to take a comprehensive one-day census of children of school age in 1927.

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Miscellaneous News

Soviet Foreign Trade in October

According to preliminary data the Soviet Union's foreign trade turnover for October across the European frontier amounted to over \$81,627,000, as compared with \$74,881,000 for the preceding month of September and \$40,530,500 for October 1924.

The imports for October totaled \$42,487,000, including foodstuffs and live-stock—\$9,836,000; animal products and their manufactures—\$3,038,000; timber goods, wooden manufactures and seeds—\$412,000; chemical products—\$3,038,000; ores, metals and metal manufactures—\$7,969,000; textile raw materials—\$12,566,000; etc.

Exports of various Soviet commodities for the month totaled \$39,140,000.

For comparative purposes it may be observed that Soviet imports for October 1924 amounted to \$18,952,000 and exports to \$21,578,500.

The foreign trade turnover for October 1925 exceeds the September figure by \$6,746,000, while it is almost twice as large as the turnover for October 1924.

Foreign Trade Activities of "Mixed Companies"

The "Mixed Companies" (i. e., companies with the joint participation of State and private capital) in the Soviet Union have increased their business considerably during past years, and their share in the country's foreign trade has grown in proportion. The actual starting point of the activities of these companies may be taken as the fiscal year 1922-23, when operations were begun by the Russo-German Trading Company ("Russgertorg"), the Russian Transit Company ("Russ-tranzit"), the Russian Trading Company ("Rus-sot"), the Allied American Trading Company ("Alamerico"), the "Wostwag" Company (West and East European Company for the Exchange of Commodities, Berlin) and the Dava-Britopol Company. The first year of their activity was marked by the predominance of import business and by the slight attraction of foreign credits. Their business turnover for the fiscal year in question aggregated \$6,952,500, the import transactions amounting to \$4,532,000 and the export transactions to \$2,420,500.

During the next fiscal year, 1923-24, the following new mixed companies were incorporated: the Russian-English Raw Material Company ("Raso"), the Russian-Austrian Trading Company ("Russ-avstorg"), the Russian-Austrian Joint-Stock Trading Company ("Ratao"), the Russian-Turkish Trading Company ("Russoturk"), and the Egg Exporting Company ("Eggexport"). The total turnover of all the mixed companies for this fiscal

year (1923-24) amounted to \$20,909,000 and showed a favorable balance, the export business aggregating \$10,660,500 and the import business \$10,248,500. The foreign credits attracted during 1923-24 may also be regarded as an important achievement, the credit advances including about \$4,068,500 in cash and about \$6,695,000 in goods.

In 1924-25 the number of mixed trading companies fell to ten as the result of the liquidation of the Dava-Britopol organization, but the expansion of their business operations continued. The aggregate turnover reached the sum of \$31,157,500, made up of \$17,407,000 in exports and \$13,750,500 in imports. The foreign credits obtained likewise increased, amounting to \$2,832,000 in cash and \$14,420,000 in goods for nine months of the fiscal year.

Thus, during the course of the past three fiscal years the total turnover has grown nearly four and a half fold, while the favorable balance for the last fiscal year constituted \$3,656,500.

As regards the role of the mixed trading companies in the Soviet Union's export trade, in 1923-24 these organizations did 4.3 per cent of the country's total export business, while in 1924-25 they accounted for 7.2 per cent.

American Radio Apparatus at Soviet Exhibition

American radio apparatus, exhibited for American manufacturers through the Amtorg Trading Corporation, New York, received one of the four highest awards, diplomas of honor, at the Soviet Radio Exhibition which recently closed at Moscow. The other three highest awards went to the Low Current Trust of the Soviet Union, the Nizhni-Novgorod Laboratory and the Dutch factory of Phillips. The principal German manufacturers of radio apparatus, and numerous other foreign manufacturers were represented, but only the American and Dutch apparatus among the foreign exhibits received diplomas of honor.

During the several weeks of the exhibition 50,000 radio fans visited the Polytechnic Institute to see the show.

Soviet Fishing Industry

The following table shows the total catch of fish for the entire Soviet Union (exclusive of the Far-Eastern Region) from 1921 to the first half of 1925, inclusive:

| Year | Catch in Metric Tons | Percentage of 1921 Total |
|--------------------------|----------------------|--------------------------|
| 1921 | 254,100 | 100 |
| 1922 | 331,100 | 130 |
| 1923 | 318,000 | 125 |
| 1924 | 360,700 | 142 |
| First Half of 1925 | 288,500 | — |

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Soviet-American Trade in 1924-25
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Social Insurance in the Soviet Union
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Soviet-American Trade in 1924-25

THE six trading companies which carry on Soviet-American trade had a turnover of \$100,767,657 for the Soviet fiscal year 1924-25 ending September 30, 1925. The turnover is nearly double the turnover for the previous year, and breaks all records for Russian trade. Of the turnover exports from the United States amounted to \$87,088,022 and imports from the Soviet Union amounted to \$16,679,635. The figures do not include imports of Soviet manganese for the year, estimated to amount to about \$4,000,000. The total of Russian-American trade in 1913 was \$46,000,000.

The trade was divided as follows among the various companies:

| | Exports to Soviet Union | Imports from Soviet Union |
|-------------------------------|----------------------------|------------------------------|
| Amtorg Trading Corporation.. | \$40,859,818 | \$6,670,718 |
| All-Russian Textile Syndicate | 44,401,112 | |
| Centrosoyuz-America, Inc..... | 198,130 | 5,541,225 |
| Selskosojus-America, Inc..... | 830,711 | 23,004 |
| Eitingon-Schild Company..... | | 3,722,553 |
| Allied American Corporation.. | 798,751 | 722,140 |
| | <u>\$87,088,022</u> | <u>\$16,679,635</u> |

Of the above firms, all with offices in New York, Amtorg represents the trading bureaus of several of the republics of the Soviet Union and most of the large Soviet syndicates. The table below gives the figures of the orders placed in the United States for shipment to the Soviet Union in the course of the last two fiscal years i. e., 1923-24 and 1924-25, the fiscal year beginning on October 1:

Orders Placed in United States for Shipment to Soviet Union

| | 1923-1924 | 1924-1925 |
|---------------------------------|---------------------|----------------------|
| Flour | — | \$21,482,093.07 |
| Agricultural Machinery | \$900,465.38 | 7,802,201.28 |
| Machines and Spare Parts.... | 788,725.75 | 5,647,532.56 |
| Metals | 176,000.00 | 1,240,241.63 |
| Auto-Transport | 124,842.20 | 1,062,654.13 |
| Typewriters and Office Supplies | 145,960.96 | 675,248.34 |
| Oil-Well Supplies | 474,116.51 | 1,333,814.14 |
| Rosin | 234,444.52 | 487,422.07 |
| Chemicals and Pharmaceuticals | 287,689.81 | 437,052.34 |
| Leather | 122,986.01 | 422,760.24 |
| Miscellaneous | 141,364.66 | 268,297.74 |
| Cotton | 2,750,000.00 | — |
| Total | <u>6,146,595.80</u> | <u>40,859,317.54</u> |

The sales of Soviet merchandise in the United States in the course of the last two fiscal years,

i. e., 1923-24 and 1924-25, are shown in the following table:

Sales of Soviet Merchandise in United States

| | 1923-1924 | 1924-1925 |
|--|-----------------------|---------------------|
| Furs | \$4,229,456.88 | \$5,384,954.84 |
| Sheep Casings | 59,196.66 | 910,163.06 |
| Licorice Root | — | 109,200.31 |
| Caviar | 42,868.10 | 728.25 |
| Potash | 67,500.00 | 16,560.18 |
| Mushrooms | 2,000.00 | 48,691.94 |
| Bristles | — | 118,031.61 |
| Oakum | — | 11,208.85 |
| Crab Meat | — | 11,603.50 |
| Alfalfa Seed..... | 15,000.00 | — |
| Lentils | — | 11,786.52 |
| Products of Home Industry... | 1,174.28 | 11,755.18 |
| Hides | 6,880.37 | 14,684.08 |
| Miscellaneous | 8,517.89 | 21,444.61 |
| Total | <u>\$4,432,094.18</u> | <u>6,670,712.93</u> |
| Grand Total (Sales and Purchases)..... | \$10,578,689.98 | 47,530,030.47 |

The All-Russian Textile Syndicate purchases American cotton and dyes for the Soviet textile industry. The purchases of the All-Russian Textile Syndicate in the United States are represented by the following figures:

| | Fiscal Year 1924-25 | Period from Dec. 13, 1923 to Sept. 30, 1924 |
|--|------------------------|---|
| Cotton Purchases c. i. f. Murmansk | \$44,284,833.27 | \$36,682,130.12 |
| Remittances and Payments of Drafts for Cotton Purchased abroad through All-Russian Textile Syndicate Inc. | — | 2,499,667.81 |
| Cotton Seed Purchases.... | — | 19,378.68 |
| Dye Purchases | 60,796.70 | 4,613.67 |
| Machinery Purchases | 53,849.55 | 295.00 |
| Sundry Purchases | 2,132.74 | — |
| | <u>\$44,401,112.26</u> | <u>\$39,206,085.28</u> |

"Centrosoyuz" is the trading agency of the Soviet Consumers' cooperatives and "Selskosojus" of the agricultural cooperatives; Eitingon-Schild is an American firm importing Soviet furs under concession, and the Allied American Corporation is a mixed company representing certain American concerns in Soviet trade.

The imports and exports of "Centrosoyuz" during the two fiscal years 1923-24 and 1924-25 are shown in the tables on page 15:

Imports from the Soviet Union to the United States

| | 1923-1924 Oct. 1, 1923 to Oct. 1, 1924 | 1924-1925 Oct. 1, 1924 to Oct. 1, 1925 |
|--|--|--|
| Furs | \$2,034,318.48 | \$4,867,956.51 |
| Fibers (Flax, Tow) | 22,922.15 | 352,739.39 |
| Fish Products (Caviar, etc.) | 13,711.80 | 225,914.94 |
| Bristles | 175,537.45 | — |
| Various | 21,106.18 | 94,613.96 |
| Total | \$2,267,596.06 | \$5,541,224.80 |

Exports from U. S. to the Soviet Union

| | | |
|--|-----------------------|-----------------------|
| Dry Goods (Cotton Piece Goods, etc.) | — | \$138,140.07 |
| Steel Files, Needles | — | 24,979.60 |
| Gum Rosin | — | 32,833.57 |
| Binder Twine | 311,908.82 | — |
| Agricultural Machinery | 240,412.31 | — |
| Hunters' Ammunition | 27,112.81 | — |
| Various | 502.43 | 2,176.39 |
| Total | 579,936.37 | 198,129.63 |
| Grand Total | \$2,847,532.43 | \$5,739,354.43 |

The above figures show that in the course of 1924-25 "Centrosoyuz" has doubled its turnover as compared with the preceding year.

Among the various merchandise items cotton consisting of 297,848 bales valued at \$44,284,833 c. i. f. Murmansk led the list of exports to the Soviet Union, compared with 222,645 bales valued at \$36,700,000 the previous year. Exports of American industrial machinery amounted to upwards of \$8,000,000, as compared with \$1,400,000 the previous year; exports of agricultural machinery were nearly \$8,000,000 as compared with \$1,150,000 the previous year; motor cars and trucks were \$1,062,654 as compared with \$125,000 and metals were \$1,240,000 as compared with \$176,000. The exports included flour valued at \$21,500,000, shipped to the Soviet Union last winter because of the poor harvest of 1924.

Furs valued at nearly \$14,000,000 led the list of imports from the Soviet Union. This figure breaks all records for imports of Russian furs, and compares with \$9,000,000 for the previous year. Other imports included sheep casings worth \$910,000, flax and tow worth \$353,000, caviar worth \$250,000, bristles worth \$120,000, licorice root worth \$110,000.

Foreign Coal Mining Equipment for Donets Basin

Upon its return to the Soviet Union in November 1925 after a four-month trip abroad the commission appointed to study the coal industry and purchase technical equipment in Western Europe and America reported that the following foreign equipment had been bought: 196 coal-cutting machines, 50 drilling machines, 20 electric locomotives, and 7 loading machines.

The equipment for the Donets coal mines was purchased chiefly in the United States. Thus 150 of the 196 coal-cutting machines were obtained in America, 42 in Germany, and 4 in England. The coal mining equipment purchases in America aggregated about \$2,000,000.

The acquirement of highly improved American coal-cutting machines of the Jeffrey and Sullivan types will be particularly important for the coal industry in the Donets Basin. The terms call for 60 per cent in cash and 40 per cent in five months.

The Sullivan firm is to send a special instructor to the Soviet Union to supervise the installation of machines. Part of the equipment has already been shipped, and under the delivery specifications the Sullivan concern must forward twenty machines monthly, beginning with February 1.

At the same time spare parts were purchased both for the new equipment and for the old coal-cutting machines already on hand in the Donets Basin.

The coal-cutting equipment effects an enormous increase in operating efficiency, each machine taking the place of twenty-five coal hewers. In five hours the machine cuts over 100 cubic meters of coal, whereas the coal hewer cuts only 2 cubic meters.

It may be remarked that the loading machines will be the first to be employed in the Donets mines; and as the process of installing them and adapting them to production is rather complex, the commission has invited Mr. Joy, the inventor of these appliances, to accept permanent position with the Donets Coal Trust.

In addition to the above, the commission made other purchases of American equipment, mechanical appliances for drawing up mine cars on rails, appliances for automatically opening and closing doors in the mines, etc. The commission also placed an order for a coal cutting and loading machine of the Mackelly system. This machine will be built to fit the conditions in the Donets Basin and its employment will represent a considerable step toward the mechanization and simplification of the process of cutting and loading coal.

Ten Thousand American Tractors for U.S.S.R.

Early in December, 1925, it was announced that the Amtorg Trading Corporation of New York, which is acting as purchasing agent for various economic organizations of the Soviet Union, had purchased 10,000 Fordson Tractors for delivery to Black Sea ports up to January 20, 1926. These tractors are intended for the State Trading Bureaus of the Russian Socialist Federated Soviet Republic (Soviet Russia proper) and the Ukrainian Soviet Socialist Republic, for the Union of Agricultural Cooperatives ("Selskosoyuz") and some other organizations.

Soviet Foreign Trade in 1924-25

ACCORDING to the latest data of Soviet customs statistics Soviet export and import trade across the European frontier for the fiscal year extending from October 1, 1924 to September 30, 1925 was distributed as follows by countries:

| | Soviet Exports to Countries Named | | Soviet Imports from Countries Named | |
|----------------------|--|--|--|--|
| | 1924-1925 Gold Rubles | 1923-1924 Gold Rubles | 1924-1925 Gold Rubles | 1923-1924 Gold Rubles |
| Belgium..... | 19,271,000 | 13,400,000 | 3,316,000 | 740,000 |
| Denmark..... | 13,697,000 | 15,000,000 | 1,666,000 | 430,000 |
| Esthonia..... | 13,967,000 | 20,900,000 | 4,168,000 | 7,850,000 |
| France..... | 22,133,000 | 20,600,000 | 9,079,000 | 4,460,000 |
| Germany..... | 87,005,000 | 93,700,000 | 101,602,000 | 87,000,000 |
| Great Britain..... | 185,442,000 | 113,000,000 | 107,806,000 | 95,000,000 |
| Holland..... | 20,514,000 | 31,000,000 | 33,878,000 | 2,660,000 |
| Italy..... | 15,433,000 | 21,500,000 | 5,237,000 | 2,200,000 |
| Latvia..... | 62,744,000 | 52,500,000 | 2,756,000 | 4,780,000 |
| United States..... | 21,169,000 | 8,500,000 | 188,252,000 | 97,000,000 |
| Other Countries..... | 46,469,000 | 90,600,000 | 175,551,000 | 85,980,000 |
| Total..... | 507,844,000 (\$261,539,000) | 480,700,000 (\$247,500,000) | 633,311,000 (\$326,155,000) | 388,100,000 (\$199,871,000) |

The sharp curtailment of grain exports and the temporary necessity of flour imports had a considerable influence on the country's general balance of trade. It will be observed, however, that the Soviet Union had a favorable balance with

seven out of ten countries named in the table. The exports, which aggregated 5,475,000 metric tons in round figures and were assessed with export duties amounting to \$3,022,500 were divided as follows according to purpose categories:

| Purpose Category | Exports for 1924-25 | | Exports for 1923-24 | |
|--|----------------------|------------------------|----------------------|------------------------|
| | Value Gold Rubles | Percentage of Total | Value Gold Rubles | Percentage of Total |
| Materials and Manufactures for Industry.... | 314,314,000 | 61.9 | 183,300,000 | 38.4 |
| Materials and Manufactures for Agriculture.. | 23,876,000 | 4.7 | 11,700,000 | 2.4 |
| Fuel. | 14,432,000 | 2.8 | 5,700,000 | 1.2 |
| Hygienic and Medicinal Articles..... | 1,828,000 | 0.4 | 810,000 | 0.2 |
| Foodstuffs and Fodder..... | 146,320,000 | 28.8 | 273,000,000 | 56.6 |
| Articles of Personal Use..... | 2,035,000 | 0.4 | 1,630,000 | 0.3 |
| Luxury and Art Goods..... | 4,473,000 | 0.9 | 4,220,000 | 0.9 |
| Other Goods | 566,000 | 0.1 | 340,000 | 0.0 |
| Total | 507,844,000 | 100. | 480,700,000 | 100. |

The preceding figures show a marked change in the composition of Soviet exports for 1924-25 as compared with 1923-24. The exports of industrial raw materials and manufactures (such as flax, timber, furs, industrial goods, petroleum, etc.) were almost twice as large as the previous year, while the exports of foodstuffs (butter, eggs, etc.) amounted to about 50 per cent of the aggregate for 1923-24, notwithstanding the fact that there were no exports of grain, which is normally an item of overwhelming importance in this commodity group.

Of the total Soviet exports \$62,294,000 or 23.8 per cent, were shipped overland, while \$199,245,000 or 76.2 per cent, were forwarded by water. As regards tonnage, 9.6 per cent of all the exports were sent over the land frontier and the remaining 90.4 per cent through the seaports.

The Soviet Union's imports across the European frontier for 1924-25 aggregated 1,529,000 metric tons and paid duties amounting to \$47,259,940. They were distributed as follows in value among the four basic commodity groups employed in Soviet customs statistics:

| Commodity Group | Imports for 1924-25 | | Imports for 1923-24 | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Value Gold Rubles | Percentage of Total | Value Gold Rubles | Percentage of Total |
| Foodstuffs | 155,283,000 | 24.5 | 32,800,000 | 8.4 |
| Raw and Semi-Manufactured Materials.... | 315,897,000 | 49.9 | 237,000,000 | 60.1 |
| Live-Stock | 1,148,000 | 0.2 | 8,000 | 0.0 |
| Manufactures | 160,983,000 | 25.4 | 118,292,000 | 31.5 |

The two groups of manufactures and raw materials reveal a decrease in their relative importance, while the foodstuffs group plays a larger role proportionally owing to special imports of flour and grain. In absolute figures all three of these groups showed advances, the foodstuffs group having increased by 370 per cent, the raw and semi-manufactured materials group by 33 per cent, and the manufactures group by 35 per cent.

With respect to value, \$49,643,400 or 15.2 per cent of the Soviet Union's imports entered the country overland, while \$276,511,700 or 84.8 per cent came in through the seaports. The corresponding figures with regard to tonnage were 248,462 metric tons, or 16.2 per cent overland; and 1,280,000 metric tons, or 83.8 per cent by sea.

The next table shows the distribution of Soviet imports according to purpose categories:

Soviet Imports According to Purpose Category

| Purpose Category | Imports for 1924-25 | | Imports for 1923-24 | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Value Gold Rubles | Percentage of Total | Value Gold Rubles | Percentage of Total |
| Equipment and Implements for Production Purposes..... | 47,914,000 | 7.6 | 27,200,000 | 7.0 |
| Raw, Semi-Manufactured, and Auxiliary Materials..... | 327,833,000 | 51.8 | 255,000,000 | 65.7 |
| Materials and Manufactures for Agricultural Purposes... | 39,747,000 | 6.3 | 12,600,000 | 3.2 |
| Materials and Manufactures for Transportation System... | 20,977,000 | 3.3 | 27,200,000 | 7.0 |
| Fuel | 820,000 | 0.1 | 6,320,000 | 1.6 |
| Hygienic and Medicinal Articles..... | 11,861,000 | 1.9 | 5,450,000 | 1.4 |
| Foodstuffs and Fodder..... | 150,183,000 | 23.7 | 32,200,000 | 8.3 |
| Articles of Personal Use..... | 22,505,000 | 3.5 | 18,400,000 | 4.7 |
| Luxury and Art Goods..... | 405,000 | 0.1 | 970,000 | 0.3 |
| Other Goods | 11,066,000 | 1.7 | 2,760,000 | 0.8 |
| Total | 633,311,000 | 100. | 388,100,000 | 100. |

The principal points of note in the preceding table are the increases in the imports of industrial and agricultural equipment and of staple consumption goods. In absolute figures industrial equipment imports were 77 per cent larger than in 1923-24, raw and semi-manufactured materials 28 per cent larger, agricultural articles 225 per cent larger, and staple goods 240 per cent larger. The growth of Soviet imports fully assures the maintenance of the rate at which the country is progressing economically.

In conclusion a few words may be said about the relative part played by the various organizations engaged in Soviet foreign trade. The role of the different categories of participants in Soviet foreign trade is primarily determined by whether or not they possess the right to do business on foreign markets independently. Organizations not possessing the privilege of doing business abroad directly, execute all their foreign trade transactions through the Soviet Trade Delegations, which handled a huge part of the imports and exports during the past fiscal year. The accompanying table records the share of the various classes of organizations participating in Soviet foreign trade during 1924-25:

Imports by Trading Categories

| | Value Gold Rubles | Percentage of Total |
|-----------------------------------|----------------------|------------------------|
| State Institution and Enterprises | 548,277,000 | 86.6 |
| State Joint-Stock Companies... | 40,537,000 | 6.4 |
| Cooperatives | 24,121,000 | 3.8 |
| Mixed Companies..... | 8,057,000 | 1.3 |
| Foreign Firms | 8,111,000 | 1.3 |
| Private Persons | 1,989,000 | 0.3 |
| Others | 2,219,000 | 0.3 |

Exports by Trading Categories

| | Value Gold Rubles | Percentage of Total |
|-----------------------------------|----------------------|------------------------|
| State Institution and Enterprises | 240,192,000 | 47.3 |
| State Joint-Stock Companies.. | 160,670,000 | 31.6 |
| Cooperatives | 63,296,000 | 12.5 |
| Mixed Companies..... | 27,913,000 | 5.5 |
| Foreign Firms | 5,338,000 | 1.1 |
| Private Persons | 3,805,000 | 0.7 |
| Others | 6,830,000 | 1.3 |

Soviet Petroleum Product Exports

The exports of Soviet petroleum products for the fiscal year 1924-25, ended October 1, 1925, aggregated 1,338,000 metric tons, exclusive of shipments to Persia and China. Taking the Russian oil exports for 1913 as 100 per cent, this shows an increase of 45.2 per cent over the pre-war figure, whereas all previous years have fallen short of the 1913 volume.

Fuel oil holds first place in the list of Soviet petroleum exports with 426,000 metric tons, representing 31.7 per cent of the total oil exports. Kerosene comes next with 391,000 metric tons, or 29.2 per cent of the total. Gasoline with 276,000 metric tons, equivalent to 20.5 per cent of the total, stands third. The exports of Soviet petroleum lubricants reached 183,000 metric tons, or 13 per cent of all oil exports. The crude petroleum exports amounted to 62,000 metric tons, or 4.7 per cent of the grand total.

Soviet kerosene found its principal outlet during 1924-25 in the markets of the Near East. Thus, for example, over 70 per cent of the demand on the Egyptian market was filled by the Soviet product. Gasoline was exported chiefly to Eng-

land, which took 33.9 per cent of the total, France—27.4 per cent, and Germany—22.6 per cent.

Crude Soviet petroleum found a sale in Austria, Hungary, Italy, and the Baltic States for distillation to produce high-grade oils.

The main importer of Soviet lubricants was Germany, which took 55.8 per cent of the total, followed by Belgium with 13.5 per cent, England with 12.6 per cent, and France with 10.8 per cent.

In general it may be observed that Soviet oil products occupy a dominant position in Egypt and the Baltic States. In western European countries, such, for instance, as Italy and Germany, the comparative role of Soviet petroleum products is also very considerable, while in a number of other countries they are successfully competing with products originating from other sources.

Soviet Fur Exports in 1924-25

Soviet fur exports aggregated 64,200,000 gold rubles (approximately \$33,063,000) in value during the fiscal year 1924-25, constituting 11.4 per cent of the country's entire export trade for the period and surpassing the Russian fur export total of 17,000,000 rubles for the pre-war year 1913 by over 250 per cent.

The fur exports for 1924-25 set a record for the Soviet Union, exceeding the total for 1923-24 by 12,800,000 gold rubles and that for 1922-23 by 33,800,000 gold rubles.

The People's Commissariat for Foreign Trade looks forward to favorable conditions for fur exports on the international markets during the fiscal year 1925-26. An especially large demand is expected for ermine, squirrel, and inexpensive sorts of fur.

Soviet Timber Exports for 1924-25

According to figures published at the end of November the following quantities of Soviet timber were sold in various countries during the fiscal year 1924-25:

Soviet Timber Sales

| Country | In Cubic Meters |
|---------------|-----------------|
| England | 2,306,000 |
| Holland | 482,000 |
| Germany | 419,100 |
| Japan | 360,300 |
| Latvia | 77,600 |
| China | 65,900 |
| France | 34,600 |
| Total | 3,745,500 |

Georgian Manganese Exports

The Georgian Manganese Company, organized to operate the Harriman mining concession exported 73,716 metric tons of manganese ore from the date of its establishment up to November 15, 1925. The monthly exports showed a steady increase,

amounting to 7,194 metric tons in August, 23,332 metric tons in September, 25,624 metric tons in October, and 12,556 metric tons for the first half of November.

Soviet Finances in 1924-25

THE aggregate tax receipts of the Soviet Union, exclusive of Transcaucasia, for the past fiscal year 1924-25 amounted to 1,169,000,000 gold rubles (approximately \$602,035,000), an increase of 411,300,000 gold rubles, or 54.3 per cent, over 1923-24.

The sum of 87,200,000 gold rubles was deducted from the above-mentioned total for local budgets, so that the share of the Federal Treasury came to 1,081,800,000 gold rubles.

Direct taxes brought in 500,200,000 gold rubles, or 42.8 per cent, of the State's aggregate taxation revenue, indirect taxes—574,100,000 gold rubles, or 49.1 per cent of the total, and the stamp duty yielded 94,700,000 gold rubles, or 8.1 per cent.

The direct tax revenues for the lapsed fiscal year were 90,800,000 gold rubles greater than in 1923-24 (22% increase). Almost one-half (48.6 per cent) of the amount derived from this class of taxes was brought in by the agricultural tax, which yielded 243,300,000 gold rubles.

The trading tax held second place among the direct imposts with receipts of 148,600,000 gold rubles, equivalent to 29.7 per cent of the direct tax revenues and 12.7 per cent of the income from all State taxes, and representing an advance of 36,000,000 gold rubles, or 31.9 per cent, over the trading tax receipts for the preceding fiscal year. Of the total brought in by the trading tax 27.6 per cent was produced by the license tax and 72.4 per cent by the turnover tax.

Third rank in this class was occupied by the income tax, which yielded 91,400,000 gold rubles for the fiscal year, representing 18.3 per cent of the receipts from direct taxes and 7.8 per cent of all tax receipts.

The indirect taxes brought in 574,100,000 gold rubles, or 49.1 per cent of the total State tax revenues for 1924-25. Of this sum 481,100,000 gold rubles, or 41.2 per cent, fell to the share of excise taxes and 93,000,000 gold rubles, or 7.9 per cent, to customs duties.

First in order among the various excises was the sugar tax with a yield for the fiscal year of 106,700,000 gold rubles (22.2 per cent of total excise revenues), second—the tax on tobacco products with 76,400,000 gold rubles (16 per cent of the total), third—the tax on liqueurs and cordials with 69,300,000 gold rubles (14.14 per cent of the total), followed by the excise taxes on alcohol, textiles, etc.

Chervonets Exchange Quotations

A comparison of the pre-war ruble parity of the United States dollar and the British pound sterling, the two most important foreign currencies, with the chervonets* exchange quotations prevailing on the Moscow bourse during the elapsed fiscal year 1924-25, reveals the following situation:

| Rate of Exchange in Gold Kopecks | | |
|----------------------------------|--------------|----------------|
| Date | U. S. Dollar | Pound Sterling |
| Pre-War Parity..... | 194.35 | 945.76 |
| October 1, 1924..... | 194.50 | 867.00 |
| January 1, 1925..... | 194.50 | 920.00 |
| April 1, 1925..... | 194.50 | 929.50 |
| July 1, 1925..... | 194.50 | 945.50 |
| October 1, 1925..... | 194.50 | 942.00 |

The figures cited demonstrate that there has been no variation in the exchange ratio between the United States dollar and the Chervonets throughout the past fiscal year, and that the deviation from pre-war ruble parity has been negligible. The fluctuations observed in the case of the English pound sterling have been very slight.

The consolidation of the chervonets has made it possible to reconstruct Soviet currency relations with foreign countries. In this regard it is enough to point out that the number of countries and centers where the chervonets is quoted and handled increased considerably. The quotation of chervonets exchange in the Baltic States, Italy, Austria, Turkey, Persia and some other countries may be regarded as the beginning of the penetration of the chervonets into international circulation.

Capital of Leading Soviet Banks

The capital resources of the most important banks in the Soviet Union underwent substantial growth during the course of fiscal year 1924-25. Thus, the consolidated balance sheet of the State Bank and the six joint-stock banks (Industrial Bank, Bank for Foreign Trade, Moscow City Bank, Electro-Bank, All-Russian Cooperative Bank, and Central-Asiatic Bank) shows that their combined capital rose from 189,200,000 gold rubles on October 1, 1924 to 251,400,000 gold rubles on September 1, 1925, an increase of 62,200,000 gold rubles, or 32.9 per cent, for the eleven months in question.

The accompanying table gives the increases in the capital resources of the above joint-stock banks:

| Bank | Oct. 1, 1924 Gold Rubles | Sept. 1, 1925 Gold Rubles | Percentage Increase |
|--|-----------------------------|------------------------------|------------------------|
| Industrial Bank.... | 35,200,000 | 64,800,000 | 84.1 |
| Bank for Foreign Trade | 18,900,000 | 30,500,000 | 61.4 |
| All Russian Coopera- tive Bank..... | 12,900,000 | 16,500,000 | 27.9 |
| Moscow City Bank.. | 7,300,000 | 16,400,000 | 124.6 |
| Central-Asiatic Bank | 7,300,000 | 7,500,000 | 2.7 |

*Soviet currency unit equivalent to 10 gold rubles.

The Electro-Bank showed the largest increase, its capital resources rising from 3,300,000 gold rubles on November 1, 1924 (the date of its opening) to 8,000,000 gold rubles on September 1, 1925, i. e., an advance of 142.4 per cent.

Current Accounts in Soviet Banks

The grand total on balance in Soviet money under current accounts (exclusive of the accounts of the People's Commissariat for Finances) in the State Bank and the six joint-stock banks (Industrial Bank, Bank for Foreign Trade, All-Russian-Cooperative Bank, Moscow City Bank, Electro-Bank, and Central Asiatic Bank) increased from 347,200,000 gold rubles on October 1, 1924, to 689,500,000 gold rubles on September 1, 1925, an advance of 342,300,000 gold rubles, or 98.6 per cent, for the 11 months.

The following table shows the growth of the aggregate under current accounts in the seven banking institutions in question for the quarterly periods of 1925:

| Date | Aggregate Balance on Current Account in Gold Rubles | Percentage Increase over Previous Quarter |
|-------------------|---|---|
| Jan. 1, 1925..... | 402,300,000 | 15.9 |
| Apr. 1, 1925.... | 550,700,000 | 36.9 |
| July 1, 1925.... | 610,700,000 | 10.9 |
| Sept. 1, 1925.... | 689,500,000 | 12.9 |

With the exception of the Central-Asiatic Bank, all of the above-named banks recorded a considerable increase of current accounts during the course of the fiscal year 1924-25, as may be seen from the following figures:

| Bank | October 1, 1924 | September 1, 1925 |
|---------------------------------------|-----------------|-------------------|
| State Bank | 157,800,000 | 302,700,000 |
| Industrial Bank | 99,100,000 | 205,300,000 |
| Bank for Foreign Trade | 8,500,000 | 33,000,000 |
| All-Russian Cooperative Bank | 23,100,000 | 45,200,000 |
| Moscow City Bank..... | 53,700,000 | 85,200,000 |

As is evident, the Bank for Foreign Trade made the most rapid advance in current accounts with an increase of 288.2 per cent for the 11-month period under review, followed by the Industrial Bank with 107.2 per cent, the All-Russian Cooperative Bank with 95.6 per cent, the State Bank with 91.8 per cent, and the Moscow City Bank with 58.7 per cent. The Electro-Bank, which began operations in November, 1924, had a total of 12,700,000 gold rubles on balance under current accounts on September 1, 1925.

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.

Electric Power Stations

THE public service electric power stations in the Leningrad and Moscow regions are the largest in the country, supplying about half of all the electric current produced for public consumption by all stations throughout the Soviet Union.

During the fiscal year 1924-25 there were seven electric power stations with an aggregate capacity of 119,100 kilowatts operating for public service in the Moscow region and five stations with a total capacity of 93,900 kilowatts in the Leningrad region, making twelve stations with a combined capacity of 213,000 kilowatts for the two areas.

The expired fiscal year revealed an unprecedented increase in the consumption of electric current. According to preliminary figures, which represent conservative estimates, the output of electric current for public consumption during 1924-25 was 318,000,000 kilowatt-hours in the Moscow region and 203,000,000 kilowatt-hours in the Leningrad region.

In comparison with the pre-war year 1913 the electric power produced in the Moscow region during 1924-25 showed an increase of 165,000,000 kilowatt-hours, or 108 per cent, while that of the Leningrad region augmented by 45,000,000 kilowatt-hours, or 28.5 per cent, making a total advance of 210,000,000 kilowatts, or 67.5 per cent, for the two regions.

The past fiscal year was marked by a better system in the use of fuel and a more efficient utilization of labor in the electric power stations of Moscow and Leningrad. Thus, as compared with the previous fiscal year 1923-24, the average quantity of fuel burned to produce one kilowatt-hour was reduced by 8 per cent for the Moscow district and by 7 per cent for the Leningrad district in 1924-25. The amount of electric power turned out per worker averaged 65,000 kilowatt-hours for both districts taken together in 1924-25, representing an increase of 46 per cent over 1923-24.

The program for the new fiscal year 1925-26 provides for a total output of 422,000,000 kilowatt-hours in the Moscow region and 245,000,000 kilowatt-hours in the Leningrad region, a combined aggregate of 667,000,000 kilowatt-hours. This quota exceeds the 1913 total by 114.5 per cent, but it will be fully accomplished, since the Moscow and Leningrad electric power system for 1925-26 will include newly constructed powerful stations.

Shatura Regional Electric Power Station

The formal opening of the Shatura regional electric power station took place on December 6 1925. This is one of the principal electric power plants in the series of thirty regional stations constituting the first stage of the plan for the elec-

trification of the Soviet Union. The construction of the Shatura plant was begun during the summer of 1923. At the present time the station is putting into operation its first battery of power units, consisting of six boilers and two turbines with an aggregate capacity of 32,000 kilowatts. In the near future the second installation of another six boilers and one turbine will be completed, bringing the capacity of the plant up to 48,000 kilowatts. The Shatura station is already supplying electricity to the city of Moscow, the current being transmitted over two lines for a distance of 80 miles, and it also furnishes power to the Gus-Khrustalny industrial district within a radius of about 27 miles from Shatura and to the textile factories in Orekhovo-Zuyevo.

The Shatura power plant operates on local peat fuel, of which there is over 65,500,000 metric tons at hand, enough to last 100 years for a station of twice the capacity.

The cost of the Shatura electric station, including the transmission lines, the dwelling houses and other structures connected with the plant, will amount to approximately 28,000,000 gold rubles (about \$14,420,000) when brought up to its full capacity of 48,000 kilowatts.

The Shatura plant is the largest electric power station opened since the Revolution. The capacity of the new Kashira station is 12,000 kilowatts, while the "Red October" plant has a capacity of 10,000 kilowatts. In total structural extent the Shatura station is second only to the "Volkhovstroy" electric power plant. When the Shatura plant is fully developed through the installation of two additional generators of 16,000 and 35,000 kilowatts respectively, its total capacity will be brought up to 83,000 kilowatts, which is 25,000 kilowatts greater than the projected capacity of the "Volkhovstroy" hydro-electric power station.

The electric power developed by the Shatura plant is cheaper than that of other stations by 32 per cent on the average. The cost of producing one kilowatt-hour of current at the Shatura station is 2.24 kopeks (approximately 1.153c), without allowing for depreciation and interest on invested capital.

The production program of the Shatura station for the fiscal year 1925-26 provides for an output of 150,000,000 kilowatt-hours, which will be equal to 34 per cent of the aggregate electric power turned out by all the stations in the Moscow region. The operation of the Shatura plant has considerably relieved the electric supply crisis experienced by Moscow and has reduced the cost of producing electric power in the Moscow region by approximately 20 per cent.

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

Field Farming Production 1925

AT pre-war prices, the share of field farming in the Soviet Union's total agricultural income for 1925-26 amounts to 4,538,400,000 rubles (approximately equivalent to \$2,337,276,000), or 45 per cent. The present income from field cultivation constitutes 98.7 per cent of the total yielded by this agricultural branch before the war. However, the process of rehabilitation is far from being uniform for the various field crops or their groups, as the accompanying figures (in pre-war rubles) illustrate:

Value of Field Crop Production at Pre-War Prices

| Field Crop | Yearly Average | 1925-1926 Pre-war Rubles | Percentage of Average for 1911 to 1915 |
|------------------|-----------------------------------|--------------------------------|--|
| | 1911 to 1915 Pre-war Rubles | | |
| Grain and Fodder | 3,532,000,000 | 3,172,300,000 | 89.8 |
| Potatoes | 426,900,000 | 538,500,000 | 126.1 |
| Oil Seeds | 139,500,000 | 341,300,000 | 244.7 |
| Flax Fiber | 116,500,000 | 112,000,000 | 96.1 |
| Hemp | 83,800,000 | 104,800,000 | 125.0 |
| Cotton | 134,900,000 | 153,900,000 | 114.1 |
| Sugar-Beets | 27,400,000 | 33,500,000 | 122.3 |
| Other Crops | 134,900,000 | 82,100,000 | 60.8 |
| Total | 4,595,900,000 | 4,538,400,000 | 98.7 |

In United States dollars the 1911-1915 annual average is approximately equivalent to \$2,366,888,000 and the 1925-26 total to \$2,337,276,000.

Whereas the grain and fodder crops have reached only 89.8 per cent of the pre-war volume, the industrial raw material field crops ("technical" crops) surpass the aggregate for the pre-war period by 28.4 per cent.

The proportion of the field crops produced for the market has not yet attained the pre-war level. Thus, while 38.3 per cent, or 1,758,400,000 rubles, worth (approximately \$905,576,000) of the average annual field crop total for the period extending from 1911 to 1915 was produced for the market, only 30.5 per cent, or 1,386,300,000 rubles (approximately \$713,944,500), was grown for the market in 1925-26.

There are two reasons for the decline in the proportion of field crops as a whole produced for the market. The first is the tendency of the peasant to produce only for his own needs, a trend that made its appearance during the war period and that has not yet been completely outlived. The second is the fact that some field crops have not yet attained the pre-war volume of production, while the total population and the number of individual farms has increased during the same period.

Grain Crop Estimate by Commissariat for Agriculture

On the basis of reports from district agronomists and the statistical sections of local agricultural organs, and likewise taking into considera-

tion the figures for the sown area, the People's Commissariat for Agriculture places the gross grain crop of the Soviet Union for 1925-26 at 3,870,000,000 poods (equivalent to approximately 63,443,000 metric tons, or about 2,714,400,000 bushels, allowing an average of 50 pounds to the bushel), as against the estimate of 3,936,000,000 poods (approximately 64,525,000 metric tons, or about 2,833,920,000 bushels) made by the Central Statistical Department. The Commissariat for Agriculture calculates the country's aggregate consumption of grain products, including seed grain, fodder, and grain to supply the wants of the urban and factory population, at 3,520,000,000 poods (approximately 57,705,000 metric tons, or about 2,534,400,000 bushels), as compared with a corresponding estimate of 3,521,000,000 poods (approximately 57,721,000 metric tons, or about 2,535,120,000 bushels) by the Central Statistical Department.

The Far-Eastern Region

THE Far-Eastern Region has more than 221,400,000 acres of forest land. The principal timber handling organization in this territory is the Far-Eastern Timber Trust ("Dalles"), whose program for the fiscal year 1925-26 calls for a turnover of 31,000,000 cubic feet. On account of their proximity to the sea the timber lands in the Possiet Bay area at the southern end of the Maritime Province are highly valuable. A number of concession agreements are on the point of being concluded with Japanese timber firms. There is an opportunity to exploit over 1,000,000,000 cubic feet.

The coal reserves of the Far-Eastern Region are estimated at billions of metric tons. During the calendar year 1923 the coal output amounted to 424,900 metric tons. It is planned to mine 960,000 metric tons during the fiscal year 1925-26. The Suchan mines near Vladivostok are the most important. In the course of the past few years a series of measures has been adopted to put the exploitation of these mines on an efficient basis, so that it has become feasible to export Suchan coal to the Manchurian market. Since the time that it was placed under the joint control of China and the Soviet Union the Chinese-Eastern Railroad has been one of the chief consumers of Suchan coal.

There are 215,240 farms in the Far-Eastern Region. In 1923 the gross agricultural production aggregated 425,800 metric tons. The leading place was occupied by Amur Province, where large quantities of oats are grown for export to Japan and England. The Far-Eastern Region imports about 130,000 metric tons of grain annually from Siberia and Manchuria.

Live-stock raising plays a particularly important role in Transbaikalia. The total live-stock

in this territory numbers 2,568,000 head, of which 533,000 are horses and 900,000 cattle.

The foreign trade program for the region during the fiscal year 1925-26 provides for exports amounting to \$11,587,500 and imports amounting to \$9,785,000. In round figures the leading export items are scheduled to be: timber—\$4,120,000; fish—\$3,090,000; furs—\$1,545,000; coal—\$515,000; and agricultural products—\$515,000. For the most part the imports consist of semi-manufactured and auxiliary materials.

The industrial enterprises of regional importance include coal mines (Suchan, Artemov, Kavdin, and Chernov), distilleries in Vladivostok, Khabarovsk and Blagoveshchensk, the Petrov Iron Smeltery and Foundry, the shipbuilding and repairing works in Vladivostok with the dry docks connected with them, and the former Khabarovsk Arsenal, which has been remodelled for the manufacture of agricultural machines.

The budget of the Far-Eastern Region for the fiscal year 1925-26 entails expenditures of 31,832,971 gold rubles (about \$16,394,000) and revenues of 25,380,968 gold rubles (about \$12,971,000).

Sakhalin Concessions

FOLLOWING their approval by the Council of People's Commissars of the U.S.S.R. three concession agreements covering the exploitation of part of the coal and petroleum resources of Northern Sakhalin were formally signed in the offices of the Chief Concessions Committee at Moscow on December 14, 1925.

The agreements were signed, in the name of the Soviet Union, by Mr. F. Z. Dzerzhinsky, Chairman of the Supreme Council of National Economy of the Soviet Union. Mr. Masao Okumura signed for the two Japanese coal companies "Kita-Sagaren-Sekitan-Kigio-Kumiai" (Northern Sakhalin Company of Coal Enterprises) and "Sakai-Kumiai" (Sakai and Company) and Admiral Shigetsugu Nakasato for the Northern Sakhalin petroleum operators combined in the "Kita-Sagaren-Sekio-Kigio-Kumiai" (Northern Sakhalin Company of Petroleum Enterprises). The contracts were countersigned by Mr. M. M. Litvinov, Acting Commissar for Foreign Affairs of the Soviet Union.

The ceremony of signing the agreements was attended by Mr. Tanaka, Japanese Ambassador to the Soviet Union, Mr. Kavakami, Counsellor of the Japanese Delegation, and the secretaries of the Japanese Embassy. The Soviet delegation was represented by Messrs. A. E. Minkin and Gurevich, both of whom are members of the Chief Concessions Committee and conducted the negotiations, and by Messrs. Musatov, Stepukhovich and Yampolsky, all members of the delegation.

The three Japanese firms with which the concession agreements have been concluded were recommended by the Japanese Government. The firm

of Sakai and Company was granted a coal concession, while the other two concerns received coal and oil concessions respectively as indicated by their titles. All three agreements have been made for a period of forty-five years.

The subject of the petroleum concession is the exclusive right to prospect and exploit the oil deposits of Okha, Nutovo, Piltun, Ekhabi, Chaivo, Niyvo, Ugleikuty and Katangli, all names used by the local Giliak inhabitants. In each of these deposits a definite area is to be divided up into squares, which are distributed in checker-board fashion between the Japanese concessionary firm and the Soviet Government. Those squares where wells are already present, these having been drilled during the occupation of Northern Sakhalin, are allocated to the concessionary. Altogether, approximately 5,940 acres of petroliferous land are assigned to the concessionary firm. In addition, the latter receives the privilege of conducting prospecting operations for a period of ten years over an area of about 433 square miles, to be delimited during the course of 1926. Half of the industrially valuable oil sectors discovered as the result of these surveys will go to the concessionary, while the other half will remain in the hands of the Soviet Government.

About 15 per cent of the ascertained coal reserves on Northern Sakhalin (or about 7 per cent of the probable reserves) are turned over to the two Japanese coal firms under the concession agreements. The "Kita-Sagaren-Sekitan-Kigio-Kumiai" receives a sector of eight square miles in the Due region, one of 6.44 square miles in the region of the Vladimir mine and another of 10.66 square miles in the region of the Machi River, while approximately one and three-quarter square miles in the Agnevsk region are allotted to the "Sakai-Kumiai" firm.

Besides the privilege of exploiting the subsoil resources the concessionaries receive the right to utilize the equipment, mining shafts, drilled oil wells and other apparatus located on the concession territory.

For the privilege of exploiting the subsoil resources the concessionaries pay the Soviet Government a pro-rata share of the output, and for the privilege of utilizing the available equipment they pay an annual rental amounting to 4 per cent of the value of the apparatus. The pro-rata share of production to be turned over to the Soviet Government in the case of petroleum ranges from 5 to 15 per cent, depending upon the quantity produced. The share due is 5 per cent for an annual output of up to 30,000 metric tons and rises to 15 per cent for an annual output of 630,000 metric tons or over. In like manner the pro-rata share due the Soviet Government on the production of gusher wells is fixed on a sliding scale from 15 to 45 per cent according to the daily yield, the higher rate of 45 per cent applying in the case of gushers

with a flow of 100 metric tons or more per 24 hours. In the case of gasoline derived from well gases the Soviet Government gets a pro-rata share of 10 to 35 per cent, depending upon the gasoline content of the gases. The Government's share of the coal output ranges from 5 to 8 per cent according to the volume of the annual production. The concessionary firms are to pay all taxes and rents due on the property turned over to them for utilization.

The concessionaries are granted the right to export the output of their enterprises free of duty and license taxes. Sales of their products in the Soviet Union must be made through agreements with the proper Soviet authorities. In the case of the coal concessions the Soviet Government reserves to itself the option to purchase 50 per cent of the output of the concession enterprises.

The concessionary firms also enjoy the right to import equipment for their enterprises and supplies for their labor and clerical force free of duty and license taxes.

Under the agreements the concessionaries are likewise assured of a quantity of timber sufficient for the needs of their enterprises, subject to their payment of a stump tax at the normal rates. In the case of the petroleum concession provision is made for the free cutting of timber growing on the exploited sectors, this privilege being accorded to compensate the concessionary firm for the obligation to furnish its labor and office force with free housing complying with the generally prescribed sanitary standards in the Soviet Union. The agreements provide for the right of the concessionaries to set up the auxiliary enterprises needed in connection with their concessions, but petroleum refineries, pipe lines, plants for the chemical treatment of coal, ports, railroads, telegraph lines, radio stations and other special facilities may be installed only by specific agreement with the proper departments of the Soviet Government.

Labor conditions in the concession enterprises are to be governed by the general laws of the Soviet Union and by collective agreements between the concessionary firms and the trade unions. The proportion of foreign labor that may be brought in by the concessionaries is limited to 50 per cent for skilled workers and clerks and to 25 per cent for other categories. These standards are to be revised every three years in the favor of workers and clerks who are citizens of the Soviet Union.

Social insurance payments are to be made by the concessionary firms in the same measure as State enterprises. Concession properties must be insured with the State Insurance Bureau.

The agreements stipulate that disputes between the Soviet Government and the concessionaries shall be settled by the Supreme Court of the Soviet Union. The concessionaries, having complete confidence in this supreme judicial body, did not

consider it necessary to insist upon the settlement of disputes by arbitration.

Upon the termination of the concession period all the concession enterprises revert to the possession of the Soviet Government on the usual basis. In the event of a breach of the essential terms of the agreement by the concessionary firm the concession may be terminated before the end of the specified period.

All the fixed or basic capital in the concession enterprises, that is, everything except cash, supplies of raw materials and other circulating capital, is recognized to be the property of the Soviet Government at all times and may not be mortgaged or conveyed.

Owing to the slight exploration of the North Sakhalin subsoil resources there is as yet no definite opinion among experts regarding their value. However, it is surmised that the deposits are very extensive. If these anticipations are realized, the economic importance of the concessions granted will become manifest in all its magnitude. Japan will then be able to supply itself with petroleum and petroleum products without having recourse to foreign purchases. On the other hand, the prospecting operations carried on by the concessionaries will reveal new deposits, which will still further increase the oil resources of the Soviet Union.

The agreements concluded are an outgrowth of the treaty between the Soviet Union and Japan and they serve as an earnest of close economic cooperation between the two countries.

The operations of the concessionary firms in such a remote region of the Soviet Union as Sakhalin are bound to lead to a rapid development of this territory. The benefits to be mutually derived by the concessionaries and the Soviet Government guarantee the interest of both parties in the successful development of the enterprises.

Social Insurance in the U.S.S.R.

THE number of incapacitated workers and their dependents compensated by the insurance bureaus in the Soviet Union is steadily growing, as indicated by the following statistics:

Incapacitated Workers and Dependents Compensated per 100 Insured

| | 1923-24 | 1924-25 |
|--------------------|---------|---------------------|
| October | 54 | 66.6 |
| November | 55 | 68.5 |
| December | 58 | 71.1 |
| January | — | 72.5 |
| February | — | 74.2 |
| March | — | 73.3 |
| Monthly Average... | 55.6 | 71.3 (27% increase) |

The total number of persons receiving compensation from the insurance organizations under this category on April 1, 1925, was 433,386.

The increase of compensation cases shown in the preceding table is due not only to a natural augmentation of the number of persons becoming incapacitated through illness, injury or old age, but also to the fact that workers have been prompted to turn to the insurance organizations since the latter have adopted the policy of steadily increasing the compensation paid to incapacitated individuals.

The incapacitated persons receiving compensation payments are divided into two basic categories according to the nature of the benefits obtained: first, individuals getting compensation because of general disability due to old age or illness, the payments being equivalent to the average wages in the given locality; and, second, persons incapacitated through injuries sustained while at work or through trade diseases, this class being granted payments equal to their actual wages at the time the disability occurred.

The insurance bureaus have been constrained to make the above mentioned distinction in compensation payments owing to the impossibility of paying all incapacitated persons according to their actual former wages. However, in the very near future the actual wages will be paid in all cases of disability.

The next table records the increase of material compensation accorded to the incapacitated workers by the insurance bureaus during recent months, as measured by the percentage of the wage average paid in the given locality:

| Period | Percentage of Wage Average Paid |
|-------------------|------------------------------------|
| In 1924-25 | |
| 1st Quarter | 39.41 |
| 2nd Quarter | 50.00 |
| In 1925-26 | |
| 1st Quarter | 75.00 |

Accordingly, the size of the compensation payments made has almost doubled within less than a year.

The following table gives the total disbursements of the insurance bureaus for compensation and maintenance of incapacitated workers during the first half of the fiscal year 1924-25:

| | Gold Rubles |
|--|-------------|
| Compensation payments..... | 22,106,354 |
| For Maintenance of Homes for the Disabled... | 1,713,219 |
| Other Expenses | 1,433,463 |
| Total | 25,253,036 |

Under the budget for the fiscal year 1925-26 it is proposed to expend about 122,000,000 (approximately \$62,830,000) for the support of incapacitated workers, i. e., two and a half times as much as in 1924.

Protection of Labor in U.S.S.R.

THE legislation for the protection of labor is being effectually enforced in the Soviet Union. The eight-hour work-day, for instance, is being applied with real strictness. According to the data of the Central Statistical Department the average length of the working-day during the fiscal year 1924-25 was between seven and eight hours. Although overtime was widely prevalent, it did not disrupt the eight-hour day, the average extra time put in by each worker daily being relatively short and steadily diminishing, as the following figures demonstrate:

| Period | Average Daily Overtime per Worker |
|----------------------|--------------------------------------|
| 1921 | 42 minutes |
| 1922 | 17 minutes |
| 1923 | 16 minutes |
| 1924 | 12 minutes |
| 1925 (February)..... | 6 minutes |

Workers are being given the benefit of regular vacations almost in full. Thus, during the fiscal year 1924-25 each worker received 12.6 days off on the average, the granting of some supplementary holidays in certain cases bringing this figure slightly above the average of 12 days to which every worker is entitled.

The child labor laws are enforced in their entirety. There are no children under the age of 14 employed in production. Data compiled in a special investigation of thirty-eight provinces in the Russian Socialist Federated Soviet Republic (Soviet Russia proper) show that the length of the work-day for youths between 16 and 18 averages 5.8 hours.

In occupations particularly dangerous to the health supplementary vacations are allowed in addition to the usual two weeks, and a shorter work-day is in effect for the members of 146 trades.

The practice of giving working youths periodical medical examinations, a procedure which has been observed for the past three years, is now being extended to adult workers in harmful occupations.

The special requirements for the protection of working women, such as vacations during the period of childbirth, etc., are being observed without exception.

The foregoing details show that the existing labor protection laws are being completely enforced in Soviet industry.

It may be added that the fiscal year 1924-25 witnessed further advances in the adoption of measures to improve sanitary conditions in working premises. Thus, 76 per cent of the sanitary recommendations made in 1924-25 were fulfilled, as compared with 72.2 per cent in 1923-24, and 62.7 per cent in 1922-23.

Social Welfare and Public Health in U.S.S.R.

IN a paper read at the Congress on Maternity and Infant Welfare in Moscow during the month of December, 1925, Prof. E. Michailovsky stated that the birth rate for the Soviet Union as a whole has increased steadily for the past two or three years and is now almost equal to the pre-war figure.

Five and a half million children are born yearly in the Soviet Union. Infant mortality is decreasing materially.

The infant death rate is now about 17 per cent as compared with 28 per cent in pre-war times. In other words, there has been a decrease of about 40 per cent in comparison with pre-war times.

The explanation of the marked decrease in infant mortality lies in the new social conditions, in the new legal status of the mother and in the stress laid by the Soviet Government on child welfare.

Owing to the high birth rate and the sharp decline in the infant death rate, the population of the Union of Socialist Soviet Republics is now increasing faster than that of any other European country.

Maternity and Infant Protection

A report made at the Soviet Union Conference on Maternity and Infant Protection, held early in December, 1925, showed a quantitative and qualitative improvement in this phase of social work throughout the country.

On October 1, 1925, there were 778 creches in the Soviet Union, as against 447 in 1923; 521 infant health stations, as against 137; 276 stations for expectant mothers, as against 28; 101 homes for mothers and infants; 433 homes for infants; 378 rural consultation stations and 2,500 summer creches. The number of the various institutions increased by 575.

The death rate for infants up to one year of age in Moscow Province fell from 27.6 per cent in 1913 to 13.7 per cent in 1923; in Leningrad Province from 23 per cent in 1913 to 12.9 per cent in 1923; in Nizhni-Novgorod Province from 34.4 per cent in 1913 to 17.3 per cent in 1923; etc.

The Maternity and Infant Protection Department is carrying on extensive educational and cultural work, centering around the maternity and infant institutions. Systematic lectures and talks are given in 88 per cent of the provinces, the number of talks in individual provinces numbering as many as 1,650 a year.

Medical Equipment Needed by Soviet Union

In an interview given to the Soviet press upon his return from a recent trip to Germany and France, Mr. N. A. Semashko, People's Commissar for Health, pointed out that the Soviet Union is greatly in need of technical equipment for hospitals, laboratories, clinics and similar institutions. He stated that it was impossible to increase the domestic output of such apparatus enough to meet the country's demands, so that, for the time being, the Soviet Union must depend upon the foreign market for such articles. The Commissar announced that he had arranged to have foreign manufacturers of medical appliances set up permanent exhibits of their products in Berlin and Moscow in order to facilitate Soviet purchases of such apparatus.

The Unification of Reports on Communicable Diseases and the Control of Epidemics in U.S.S.R.

At a recent conference in Moscow, in which the heads of the Public Health Service of the various Constituent Soviet Republics participated, it was resolved to authorize the Commissariat for Public Health of Soviet Russia proper to publish periodical reports for the entire Soviet Union, on the prevalence of communicable diseases, to establish uniform, centralized control over preventive and curative serums and vaccines, to coordinate the measures for the control of leprosy and the plague, to establish uniform sanitary regulations for the maintenance of the water supply, etc.

The Conference, in addition, worked out the general principles of a Federal code for the control of epidemics, which is to be based on the code already adopted for R.S.F.S.R. (Soviet Russia proper).

P A M P H L E T S

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

Foreign Relations of the Soviet Union

ON December 15, 1925 Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, shortly before leaving for Berlin, issued the following statement to the representatives of the French press at Paris:

"I am very highly satisfied with the conversations which I have had with the leaders of French policy, as well as with prominent representatives of the various strata of the French public. The exchange of opinions with the leaders of French foreign policy has made it clear that our ideas on the program for the forthcoming negotiations and the methods of organizing them are approximately similar with respect to their general features. The delegations of the two parties will get together after Mr. Rakovsky's return from Moscow and will themselves arrange all the details of this program. As yet we stand only at the threshold of negotiations that do not promise to be easy.

"Though fully cognizant of the difficulty of the forthcoming negotiations, I hope, nevertheless, that they will be carried to a successful conclusion, since, in my opinion, good will toward that end is present on both sides. Of course, at this moment it would be premature to talk of any decisions, and none of the rumors to this effect correspond with the reality. However, in general, I may observe that French public opinion with regard to the Soviet Union has undergone a profound change. I do not shut my eyes by any means to the fact that in France, as well as outside of France, there are tendencies hostile to the Soviet Union, but I am convinced that they will steadily become weaker and weaker. These inimical groups are attempting to picture the Soviet Union as the foe of universal peace. Nothing is more false. The reverse is the truth, since one of the essential foundations of Soviet policy is the aspiration to peace and the desire to cooperate in its consolidation. No other policy is possible for the Soviet Union for the reason that the principal object of its activity is the economic reconstruction of the country, for which the existence of friendly relations with all nations, as well as strong and unbroken economic ties with them, are indispensable. Our aspirations to establish peaceful relations coincide with the peaceful intentions of the French people, and this circumstance facilitates the strengthening of the relations between France and the Soviet Union in the highest degree. Recent events in the international arena are opening everybody's eyes to the immense importance of the Soviet Union in the settlement of international economic and political questions.

"In France and in other countries it is clearly evident that the adjustment of international affairs without the Soviet Union is impossible. How-

ever, we deem that this cannot possibly be attained by such a course as has been suggested to us, and our negative attitude toward the League of Nations remains altogether unchanged. In our opinion there is another and a natural course leading to the goal, namely, frank and direct agreements with other countries on all matters of mutual interest. In my opinion, we are entering upon a period of direct agreements between our Government and the governments of other countries. I am certain that our agreement with France concerning questions of interest to both parties will contribute in a great measure to expedite the adjustment of unsettled questions between the Soviet Union and other nations.

"The apprehensions evoked on our part by the Locarno pact are sufficiently well known, and we have yet to receive proofs that these fears are unfounded. The future will reveal whether the Locarno agreement really possesses the pacific character which its partisans ascribe to it, and whether many of them will not regret this scheme. The outcome of the Soviet Union's negotiations with France will be of immense importance for all these questions, as well as for the international situation in general, and we enter upon these negotiations in an optimistic mood."

Mr. Tchitcherin on the International Situation

At Berlin on December 21, 1925, in answer to a series of questions asked of him with regard to the current political situation by the representatives of the press in the German Capital, Mr. Tchitcherin—as reported in the Moscow "Izvestia" of December 23, 1925—stated that he was completely satisfied with the negotiations which he had conducted in Paris. Upon Mr. Rakovsky's return to Paris three commissions will be established—(1) a juridical commission to clear up the problem of which of the former agreements concluded between Russia and France remain in force and which may be made the basis of new agreements; (2) an economic commission to consider the question of old debts, in conjunction with which there will naturally be discussed the counterclaims of the Soviet Government (in connection with the damage inflicted upon the Soviet Union as a result of French intervention). This commission will also be authorized to seek a basis for the organization of French credit in the Soviet Union. And, finally, there will be created (3) a political commission to study the question of future Franco-Soviet relations of a general character.

The Paris negotiations established the fact that no serious differences exist between France and the Soviet Union. Both countries consider it im-

portant to institute and strengthen mutually amicable relations.

Touching upon Anglo-Soviet interrelations, Mr. Tchitcherin pointed out that the adjustment of these relations is impeded by the inalterably hostile position of the English Government. Notwithstanding the readiness of the Soviet Government to enter into negotiations with England regarding the disputed questions separating the two countries, there is not the least indication of the desire of the English Government to enter upon such negotiations. The members of the English Government announce their readiness to listen to new proposals by the Soviet Government. The Soviet Government cannot, however, make any new proposals so long as the English Government does not make known what clauses of the agreement concluded between the Soviet Union and the MacDonald Government it considers unacceptable.

"We would consider it extremely desirable," said Mr. Tchitcherin, "to settle the points in dispute, but we are under the definite impression that the English Government is not striving for such a settlement at the present moment."

With regard to the Soviet Union's attitude toward the League of Nations, Mr. Tchitcherin stated that the Soviet Government now, as formerly, considers the entry of the Soviet Union into the League of Nations impossible, since the contradictions between the Soviet State and the capitalist States are too great to permit the possibility of joint work in the League of Nations. The Soviet Union will reply to the proposal for its entry into the League of Nations with a proposal to conclude separate agreements with England and other countries for the regulation of mutual relations.

Arbitration conventions are unacceptable to the Soviet Union because arbitration between the Soviet State and the capitalist States is impossible. The Soviet Union proposes general disarmament or limitation of armaments as the best method of effecting peace. To the inquiry of the League of Nations about its attitude toward the project of an agreement "for mutual aid" the Soviet Government answered at the time that it announces its protest if, on the basis of this project, the question of disarmament itself is apparently to be deferred to the comparatively remote future, whereas the Soviet Government is prepared to support a proposal for an immediate conference on disarmament, as well as to participate in such a conference.

"At the present moment," Mr. Tchitcherin continued, "we are invited not to a disarmament conference, but to participation in a commission for the preparation of a conference. We are afraid that this commission will be a commission to bury disarmament. The position of the Soviet Government with respect to the creation of this commission has not yet been defined."

Mr. Tchitcherin added that if this or any other conference is to convene in Switzerland, this will be an obstacle to the participation of the Soviet Union in it.

Turning to the Locarno pact, Mr. Tchitcherin pointed out that the apprehensions of the Soviet Government with reference to the consequences of the Locarno arrangement in no way extend to the intentions of the German Government, whose good will is not subject to doubt. These fears apply to the objective relations which are created for Germany by the Locarno pact. This agreement gives the English Government an opportunity to exert powerful pressure upon Germany, as a result of which Germany may be forced, even against her own will, to change her attitude toward the Soviet Government.

"We shall," said Mr. Tchitcherin, "follow up with friendly attention the policy carried out by the German Government."

Concerning the Mosul question, Mr. Tchitcherin pointed out that the decision of the Council of the League of Nations evokes serious apprehensions. In the event that England cannot be induced to a more conciliatory position, this decision may have fateful consequences. In a strategical sense Mosul is so important to Turkey that, despite all her aspirations to peace, the Turkish Republic can yield only up to a certain limit. If the condition that has been created should take a critical turn, it would be a great misfortune for the general political situation.

Mr. Tchitcherin further declared that the charge by the British press to the effect that the Soviet Government is stirring up China against the foreigners, and against England in particular, is untrue. The Soviet Government's attitude toward China is amicable and proper. The Soviet Government does not conceal its sympathy for the Kuomintang Party and the latter's program for the triumph of an independent, enlightened, modern, Federated Chinese Republic (which will bring advantages to other countries also) in contradistinction to a subjugated China, incapable of making good its right to self-determination.

The Soviet Government highly values the substantial development of economic relations with the United States, which relations, however, will be freed of the greatest obstacles only after the establishment of diplomatic relations. The Soviet Government still adheres to its declaration, made on the occasion of the assumption of office by President Coolidge that it is ready to consider all disputed questions.

The American newspapers attributed to Mr. Tchitcherin a declaration to the effect that the Soviet Government would under no circumstances permit an adjustment of the question of debts. Mr. Tchitcherin pointed out that this statement is entirely unfounded. The Soviet Government, on the contrary, has proposed to settle all dis-

puted questions, including the question of the loan granted to Kerensky.

In response to questions concerning the Soviet Union's internal situation, Mr. Tchitcherin emphasized the fact that certain difficulties which have arisen in connection with the exportation of grain in no way alter the reality of the vigorous economic progress and growing importance of the Soviet Union.

"It may be stated," concluded Mr. Tchitcherin, "that from an economic, as well as from a political viewpoint, the necessity of adjusting relations with the Soviet Union comes up with ever greater clarity. This need was revealed with particular distinctness after Locarno."

Soviet-Turkish Agreement

On December 17, 1925, the following agreement was concluded at Paris between the Soviet Union and Turkey, the signatory for the Union of Soviet Socialist Republics being Mr. G. V. Tchitcherin, People's Commissar for Foreign Affairs, and for the Turkish Republic Mr. Tevfik Rushdi-Bey, Minister of Foreign Affairs:

Text of the Agreement

The Government of the Union of Soviet Socialist Republics and the Government of the Turkish Republic, recognizing it to be in accord with the interests of both contracting parties to define the precise conditions promoting the consolidation of firm normal relations and of the sincere friendship binding them together, appointed for this purpose Mr. George Tchitcherin, People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, and Mr. Tevfik Rushdi-Bey, Minister of Foreign Affairs of Turkey, who have agreed upon the following:

ARTICLE 1.

In the event of military action against one of the contracting parties by one or more outside powers the other contracting party binds itself to observe neutrality toward the first party.

Note. The expression "military action" is not to embrace military manoeuvres, since these inflict no injury upon the other party.

ARTICLE 2.

Each of the contracting parties binds itself to abstain from any attack upon the other; each likewise binds itself not to take part in any alliance or agreement of a political character with one or more outside powers directed against the other contracting party, as well as in any alliance or agreement with one or more outside powers directed against the military or naval security of the other contracting party. In addition to this, each of the two contracting parties binds itself not to participate in any hostile act by one or more powers aimed against the other contracting party.

ARTICLE 3.

The present agreement goes into force the moment it is ratified and continues in force for three years. Thereafter the agreement will be acknowledged as automatically extended for the period of a year, unless notice of its desire to discontinue the agreement is given by either contracting party six months in advance of the expiration of the term of validity.

Concluded at Paris on the 17th day of December in the year 1925.

GEORGE TCHITCHERIN.
T. RUSHDI.

PROTOCOL 1.

It is understood, in any case, that each of the contracting parties reserves full freedom of action to itself insofar as concerns its relations of any kind with other powers beyond the limits of the obligations whose conditions are established in the present agreement.

Concluded at Paris on the 17th day of December in the year 1925.

GEORGE TCHITCHERIN.
T. RUSHDI.

PROTOCOL 2.

Both contracting parties have agreed that the expression, "of a political character," mentioned in Art. 2 of the agreement of this date, is to be understood as including also all financial and economic agreements between any powers directed against the other contracting party.

Concluded at Paris on the 17th day of December in the year 1925.

GEORGE TCHITCHERIN.
T. RUSHDI.

PROTOCOL 3.

Both contracting parties likewise bind themselves to undertake negotiations to arrange for a method of settling differences which may arise between them and which may not have been adjusted through the usual diplomatic means.

Concluded at Paris on the 17th day of December in the year 1925.

GEORGE TCHITCHERIN.
T. RUSHDI.

Mr. Litvinov on Soviet-Turkish Agreement

Mr. M. M. Litvinov, Acting People's Commissar for Foreign Affairs of the Soviet Union, made the following statement to the press in connection with the publication of the Soviet-Turkish agreement on December 23, 1925:

"The negotiations for the conclusion of an agreement with Turkey in supplementation of the treaty of 1921 were begun many months ago by Mr. Surits, Plenipotentiary Representative of the Soviet Union in Angora.

"The agreement confirms the actual relations that have existed between the two countries for a long time. These relations precluded the possibility of any aggressive or hostile attitude whatsoever on the part of the Soviet Union or Turkey with regard to each other. I do not conceal the fact that the formal affirmation of these relations and the expediting of the signing of the agreement were partly evoked by the false rumors that have appeared from time to time and that have lately become particularly frequent in the Anglo-American press to the effect that there is an alliance between the Soviet Union and Italy aimed against Turkey. On the other hand the Soviet Government was aware of the activity of several nations that were endeavoring to draw Turkey into combinations hostile to the Soviet Union. The signing of the agreement is bound to put an end to these disquieting rumors and to dissipate all fears and doubts on the part of public opinion in the two countries with regard to the solidity of Soviet-Turkish friendship.

"While strengthening the existing friendly relations between the Soviet Union and Turkey, this agreement is at the same time an important step along the road to general peace. As is manifest from the published text, the agreement is not directed against any one and does not threaten anybody's interests.

"I consider it necessary to declare categorically that there exist no secret supplements to the agreement or the protocols. The best indication of the peaceful tendency of the agreement is the readiness of the Soviet Government to conclude analogous agreements with all countries with which it is in normal relations.

"Only a system of concluding between all nations agreements similar to the Soviet-Turkish one will preclude the possibility of the formation of political groups and combinations antagonistic to one another and thereby really foster the prevention of wars, something that cannot be accomplished through the machinations of the League of Nations or those of the Locarno sort."

Opinion of the Turkish Press

According to the Moscow "Economic Life" of Dec. 24, the semi-official "Khakimiet Millie" writes in a leading article: "The Turkish-Russian agreement was concluded on the morrow of the decision of the League of Nations on the Mosul question by virtue of the absolute necessity of mutual security. We are aware of the indispensability of peace and we cherish no aggressive intentions. But this does not exclude the need of being on guard against anybody that may strike a blow against the independence of our country. To those who are disquieted by our rapprochement with our neighbors we say that this is only a question of our security."

**Soviet Trade and Navigation Agreement
with Norway**

On December 15, 1925, a trade and navigation agreement between the Soviet Union and Norway was signed at Moscow, for the former country by Mr. M. M. Litvinov, Acting People's Commissar for Foreign Affairs, and for the latter country by Mr. Urbi, Norwegian Envoy to the Soviet Union.

The agreement signed is based upon the principle of the most-favored-nation treatment, so that the nationals, vessels, and commerce of each contracting party while on the territory of the other, will receive privileges equal to those granted to the nationals, vessels, and commerce of any other nation enjoying the greatest facilities on the territory of the other contracting party. On the part of the Soviet Union the application of the principle of the most-favored-nation treatment does not extend to the privileges granted by it to the Eastern nations and to the States forming part of the former Russian Empire before the war. Exception is likewise made of privileges accorded to nations that recognized the Soviet Union de jure prior to February 15, 1924. Norway reserves to itself the right not to grant to the Soviet Union those privileges which it accords to Sweden, Denmark, and Iceland.

Among the essential stipulations of the agreement should be mentioned Norway's recognition of the Soviet Union's foreign trade monopoly, its consent to have the Soviet Trade Delegation exercise the functions arising out of this monopoly, its guarantee of the rights of extraterritoriality for the Trade Delegate and the premises of the Trade Delegation, and so forth.

In view of the special economic ties between the northern territories of the Soviet Union and Norway, the agreement establishes a number of mutual privileges for the northern commerce of both contracting parties. In particular, Norway grants to the Soviet cooperative and State organizations which have replaced the individual traders of the Murman coast, who before the war enjoyed the privilege of bartering products of Russian origin for fish in Norway, the similar right of purchasing fish in Norway and exporting it to the Soviet Union. On its part the Soviet Union accords Norway the privilege of importing canned fish products of Norwegian origin into the Soviet Union at reduced customs tariff rates. Customs tariff reductions are also granted to Norway on imports of salted and dried fish, herring, and fish of the so-called cod species into the Soviet Union.

A few copies of Volume I containing all the issues from September 1923 to June 1924, as well as of Volume II, covering the second part of 1924, are still available. Bound in imitation leather. Price: Volume I—\$4.00, Volume II—\$3.00.

Cultural Life in the Soviet Union

State Academy of Fine Arts

DURING the past two years the State Academy of Fine Arts, located in Moscow has attained marked importance in the cultural life of the Soviet Union. Since its establishment at the end of 1921, when it was called the Russian Academy of Fine Arts, this academy has successively passed through a considerable number of organizational stages, until from a small literary and artistic club it has grown into a scientific fine arts institution of nationwide scope with a definite program of activities and firmly knit apparatus. The following paragraphs outline the present form of its organization.

The Academy's work is directed along two lines. On the one hand, it is engaged in elaborating the fundamental problems of the methodology of the science of art; on the other hand, it dedicates its energies to the study of the various forms of art in their historical development. Questions of the first type are investigated and elucidated in three Divisions of the Academy: the Psycho-Physical, the Sociological, and the Philosophical each of which effects a synthesis of the science of art through its own characteristic methods. Questions of the second category are studied in the Sections of the Academy: the Literary Section, the Musical Section, the Theatrical Section, and the Section for the Arts of Form (sculpture, painting, etc.). Each of these sections is, in turn, divided into subsections and commissions, their titles depending upon the particular group of questions selected as the object of their special consideration. The Literary Section, for example, is subdivided into Subsections on Theoretical Poetics, History of Russian Literature and History of General Literature, and into Commissions for the Study of Dostoyevsky, the Theory of Artistic Translation and other subjects. Commissions are also attached to the Divisions. The Philosophical Division, for instance, has commissions on the Philosophy of the Arts, on the Study of the Problem of Artistic Form, on the History of Esthetic Doctrines, and so forth.

Along with these fundamental organic divisions there exists in conjunction with the Academy of Fine Arts a number of institutions, which while they do not form an intrinsic part of its organizational plan, do, nevertheless, have a direct functional, though not an administrative, bond with it. In such relation to the Academy stand, for example, the Association for the Study of the Creative Genius of Alexander Blok, the Association of Rhythmists, and others. Finally, auxiliary institutions of a practical and laboratory nature are to be found in connection with the several divisions and sections of the Academy. Such are, for in-

stance, the bibliographic office, the choreographic laboratory, etc. From time to time the Musical Section of the Academy organizes evening concerts primarily devoted to the creations of contemporary Russian and foreign composers.

Several times a year the Academy is convened in plenary session for the presentation of reports and for discussions of the most general character.

The members and scientific collaborators of the Academy of Fine Arts are elected by the divisions and sections to which their work pertains.

The Academy embraces all the best writers and artists in Moscow among its members and collaborators. The President of the Academy is Professor P. S. Kogan, and the Vice-Presidency is held by Mr. G. G. Spett, who is a professor of philosophy. A distinctive atmosphere is lent to the work of the Academy by the fact that the sessions of all its divisions, sections, subsections and commissions are freely accessible to the outside public. From time to time the various institutions connected with the Academy arrange special evenings for the public, which always attends in large numbers. The annual evening celebrations in commemoration of Dostoyevsky and Pushkin, for example, have become traditional.

Until quite recently the difficulties of publishing works of an academic nature have constituted a great drawback for the Academy of Fine Arts. During the entire period of its activity the Academy has issued only one number of its monumental journal entitled "Art" and a few pamphlets. With the current season this problem, too, ceases to be so acute. The Government has appropriated funds for the regular publication of the Academy's works, and the Publishing Committee is now drawing up quite an extensive publication program. In the near future the second number of "Art" will be issued, as well as several books, representing, for the most part, individual works by members of the Academy. Immediately after this initial series of publications another will be placed on the press, including a number of monographs on the philosophy of art and on various problems in the history of literature, painting, music, and the theater. The realization of these publishing plans will afford a powerful stimulus to the further development of the Academy's activity.

The Academy of Fine Arts does not confine its activities within the limits of its own walls, but also takes an intimate part in various kinds of broad undertakings of a public character connected with art. It is sufficient to mention that the Russian pavilion at the recent Paris Exposition of Decorative Arts was designed with the close cooperation of the Academy.

Symphonic Music in Moscow

THE present musical season in Moscow promises to be especially rich in performances of symphonic music. Moscow has three permanent symphonic organizations, which have laid and are already executing extensive plans for their symphony concerts.

The most strongly organized of the three is the First Symphonic Ensemble of the Moscow Soviet of Workers' and Peasants' Deputies, an orchestra that performs without a conductor and is now entering upon the fourth season of its activity. The Orchestra of the Great State Academic Theater is beginning its second year under the auspices of the Russian Philharmonic Society, a joint-stock organization. In addition to this, the orchestra of the Theater of the Revolution is commencing its second season.

For the current season these three organizations have planned as many as sixty-five symphony concerts, embracing the entire realm of symphonic music from the works of Monteverde, Handel and Bach down to those of the present day.

The First Symphonic Ensemble had twenty subscription concerts, ten prior to January 1, 1926, and ten after that date. Besides rendering the works of the old masters, such as Beethoven, Grieg, Schumann, Wagner, Bach, Rimsky-Korsakov, Tchaikovsky, Debussy, and Franck, the Ensemble has devoted a special concert to the works of Glazunov, the leader of modern Russian symphony, and has likewise planned to give the compositions of the foremost contemporary masters, such as the piano and violin concerts and the Scythian suite "Ala Lolli" by Prokofiev, the Scherzo Fantastique, Feu d'Artifice, and selections from Petrushka by Stravinsky, the Fifth Symphony by Miaskovsky, Till Eulenspiegel by Strauss, and the Summer Pastoral by Onegger. These works were to be given prior to January 1, 1926. The list of selections from contemporary composers to be performed after the first of the year had not yet been definitely made up at the time the present article was written.

The bold innovation of dispensing with a conductor aroused some misgivings during the early appearances of the Ensemble, but these doubts were soon dispelled. The popularity of this orchestra is now very firmly established. Its mastery of symphonic music has also increased greatly. An indication of this is found in its splendid renditions of such intricate compositions as Beethoven's Ninth Symphony and Scriabin's Poeme d'Extase at the end of last season.

The orchestra of the Russian Philharmonic Society has planned two cycles of performance. The first of these is designed to present a view of the historical development of music through eighteen concerts under the direction of Moscow and Leningrad conductors, such as Malko, Pazovsky, Khes-

sin and Golovanov, together with the participation of foreign conductors, such as Egon, Petri and Yvonne Astruc, and of Russian artists. Step by step, each concert illuminates a page of the history of musical art: Gluck, Handel, Bach, Mozart, Haydn, Beethoven, Schumann, Weber, Mendelssohn, Schubert, Berlioz, Wagner, Liszt, Glinka, Borodin, Mussorgsky, Rimsky-Korsakov, Tchaikovsky, Strauss, Debussy, Scriabin. Such a consecutive cycle of concerts embraces a considerable part of the great musical creations.

The second cycle of ten concerts takes on added interest owing to the fact that in addition to the two Russians, Malko and Golovanov, the following four foreign conductors have been invited to direct the performances: Otto Klemperer, Felix Weingartner, Erich Kleiber, and Pierre Monte. In this cycle the Philharmonic Society promises to give, among other things, Beethoven's Ninth Symphony, Schumann's Third Symphony, the Symphonie Fantastique by Berlioz, and compositions by Schmidt, Ravel, Wagner, Onegger, Scriabin, Prokofiev, and Alexander Krein.

The third symphony orchestra, that of the Theater of the Revolution is the most radical of all. Among its twenty seven scheduled concerts, in addition to rendering the classics of all times and countries, this orchestra devotes a considerable number of concerts to the performance of works by the most important contemporary masters and by youthful composers at the threshold of their activity. These compositions are the following: two choruses, with orchestra, the Third Piano Concert and Symphony by Prokofiev; the Song of the Nightingale by Stravinsky; the Sixth and Eighth Symphonies by Miaskovsky; the Symphonic Monument by Gnesin; the Third Symphony by Gedicke; the Chamber Concert by Cherepnin; the Chaconne by Sabaneyev; a symphony by Kastalsky; a violin concert by Roslawetz; two revolutionary etudes by Knipper; the symphonic poem "Ferdi" by Abramsky; a composition entitled "From Balmont" by Shenshin; a symphonic prologue by Polovinkin; a prelude by Kryzhanovsky; "Sky and Earth," a symphonic poem by Steinberg, and other works.

A notable extra musical event is the plan of the Orchestra of the Theater of the Revolution to render two scenes from Mussorgsky's opera Boris Godunov as originally written by the composer.

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is now ready for delivery. It contains 504 pages, including all the issues published in 1925, as well as a comprehensive index. Bound in imitation leather. Price \$5.00.

Miscellaneous News

Removal of Inheritance Restrictions

In order to facilitate the continuation of industrial and trading enterprises after the death of the owners, and also in order to create more favorable conditions for the influx of material and monetary resources into the country, the Presidium of the Federal Central Executive Committee recently made a number of changes in the Civil Code removing the limitations to the right of inheritance. In particular, the Presidium rescinded the article restricting monetary bequests to a maximum of 10,000 gold rubles (approximately \$5,150), as well as the articles limiting the inheritance of other property.

Housing Construction in 1925

During 1925 the Moscow Soviet built thirty-six new apartment houses of two or more stories and completed the construction of fifty others, thus supplying enough added living space for 15,000 persons.

The housing construction program for 1926 provides for building operations on a substantially larger scale. The Moscow Soviet has appropriated 50,000,000 gold rubles (approximately \$25,750,000) for this purpose. Of this sum 15,000,000 gold rubles will be expended for cooperative housing construction, while 35,000,000 gold rubles will be spent for municipal housing construction. It is proposed to introduce machine methods extensively into construction work during 1926.

Soviet Union at International Pacific Ocean Congress

In November 1925 the Academy of Sciences of the Soviet Union received an invitation to participate in the work of the Third International Pacific Ocean Congress at Tokyo. The Academy plans to set up a special exhibit at this Congress to illustrate the multifarious and highly valuable contributions that scientists in the Soviet Union are making to the study of the Pacific Ocean.

New Manganese Deposits

New manganese deposits have recently been discovered in the Maikop region of the Kuban area. The preliminary surveys have shown the existence of two ore strata, the first containing up to 2,000,000 metric tons of ore and the second up to 7,000,000 metric tons. The manganese ore in these deposits is higher in quality than that of Brazil and India.

The deposits are very favorably located in the basin of the Belaya and Laba Rivers, so that the large volume of water power available in these

streams may be employed for mining the ore. In addition, the proximity of the port of Tuapse is a considerable advantage for possible exportation.

Further surveys of the deposits are under way at the present time.

Agricultural Resettlement in U. S. S. R.

On November 25, 1925 the Federal Resettlement Committee, organized in accordance with a decree approved by the Central Executive Committee and the Council of People's Commissars of the Soviet Union, held its first plenary session in the premises of the People's Commissariat for Agriculture.

This meeting drew up the fundamental measures for the creation of a free colonization fund for the purpose of relieving the overpopulated sections of various constituent Republics.

The resettlement quota for the Russian Socialist Federated Soviet Republic (Soviet Russia proper), the Ukrainian Soviet Socialist Republic and the White Russian Soviet Socialist Republic for the ten-year period 1925-1935 has been tentatively fixed at 5,600,000 persons, of whom 2,000,000 will be located on new land during the first five years. In addition to this, it is calculated that the surplus population subject to resettlement will show an annual accretion of 200,000 persons for the three Constituent Republics in question.

There are 40,190,000 acres available in the free land fund to arrange for this resettlement work. Between 1925 and 1930 it will be possible to prepare 27,000,000 acres for settlement. It has been decided to transfer gradually to this land 900,000 inhabitants of Soviet Russia proper, 660,000 Ukrainians, and 440,000 White Russians.

The total sum to be disbursed on resettlement measures throughout the Soviet Union during the fiscal year 1925-26 is set at \$8,240,000. It was proposed to all Constituent and Autonomous Republics that they submit working plans not later than January 1, 1926 for resettlement measures during the fiscal year 1925-26 in accordance with funds appropriated for the purpose.

International Law and Recognition of Governments

The American office of the Institute of Soviet Law of the University of Moscow has lately published the following two pamphlets: (1) "A Digest of Cases Relating to Recognition of Governments" by Mr. Osmond K. Fraenkel, Member of the Bar of the State of New York, and (2) "The Juristic Status of Foreign States." The pamphlets may be obtained through the office Mr. Charles Recht, 110 West 40th Street, New York City.

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Siberian Ores and Their Importance

Soviet Paper Industry

Administrative Divisions of the Soviet Union

Soviet Airplane Construction

Cultural Life in the Soviet Union

The Situation in Manchuria

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Siberian Ores and Their Importance

SIBERIA occupies about one-third of Asia, the largest of the continents, and constitutes more than half (58 per cent) of the entire territory of the Union of Soviet Socialist Republics. Consequently, its natural productive resources, while they do not now, by reason of the sparse population and the lack of good means of communication, give this area a leading importance in the general economic life of the nation, are bound to do so in the future.

Gold Deposits

Gold has already been mined in Siberia for about one hundred years, and the industry has naturally spread from the Urals in the West to the Pacific shores in the East, which it reached, in the Okhotsk region and on the Chukhotsk Peninsula, only toward the beginning of the twentieth century. Before the war Siberia yielded the major part of the gold mined in Russia, its share amounting to 75 per cent in 1905 and even mounting up to 87.4 per cent in 1914, while the role of the Ural Mountains, which had formerly held first place in gold production, steadily declined in spite of the fact that its output doubled during the 50 years extending from 1863 to 1913. Siberia counts over thirty gold-bearing regions, stretching from the Kokchetav Mountains to the Ussuri area and the Chukhotsk region. In 1913 they yielded 62,865 pounds of gold. The leading position among them has long been occupied by the Vitim region (Lena mines), which in 1913 produced 20,775 pounds of gold, representing one-third of the entire Siberian output or one-fourth of the entire Russian output, and considerably above the Ural production of 17,941 pounds.

The war and the Revolution badly disrupted Siberia's gold-mining industry and during the years 1919 to 1921 the output had fallen to a few hundreds of pounds. However, beginning with 1922 the improved conditions sent the output upward again. The Ural mines are back in second place as in the past, while the Lena field once more holds first place. Under the new circumstances Siberia has yielded from 77 to 84 per cent of the total gold output of the Soviet Union, although operations have not been restored in all the Siberian gold fields. This preeminence of Siberia will continue for many years to come. In the first place, not a single one of the Siberian gold fields can be considered completely exhausted as yet. Even in the oldest ones, such as the Biriusa, the Mariinsk and the Yenisei mines, there

are rich old ore dumps and sections of poorer placers which can still be worked by dredging or hydraulic methods. In the second place, the production of lode gold is taking the place of the exhausted placer mines. In the gold fields of Western Siberia the output of this type of gold occupies first rank and assures their productivity for many years to come. In the third place, new gold fields are being discovered in the remoter areas, such as the Viluisk, Okhotsk and Chukhotsk regions, where the prospectors did not formerly penetrate, and quite recently the discovery of deposits in the Aldan region stimulated a gold rush that has attracted thousands of men. On the basis of geological data it may be expected that this is not the last gold strike and that Siberia contains a reserve of untouched gold-bearing areas, the discovery of which is a matter of time and suitable exploring expeditions. Among such likely areas may be mentioned parts of Eastern Sayan, the North Baikal range, the eastern part of the Aldan plateau, the Taimyr Peninsula, and the Kolymsk-Anadyr range. It may also be asserted that not a few vein gold deposits will yet be found in the regions where only placer mines have been operated up to the present.

Silver, Lead and Zinc Ores

Russia played a considerable part in the mining of silver and lead only up to the middle of the nineteenth century through the exploitation of the Nerchinsk and Altai fields. The discovery of the gold placer mines, followed by the abolition of serf labor and the exhaustion of the forests in those regions reduced the output of these less valuable metals to small dimensions. During the entire period that they were under exploitation the Nerchinsk deposits yielded about 1,080,000 pounds of silver and some 50,000 metric tons of lead, while 5,328,000 pounds of silver and about 115,000 metric tons of lead were extracted from the Altai deposits. The Kirghiz Steppe is also rich in deposits of lead and silver ores, although they have been mined to but a very slight extent. The annual production of these metals in the area in question amounted to about 100 metric tons around the fifties and the early sixties of the nineteenth century and then rose to 360 metric tons of lead and 6,210 pounds of silver toward the close of the eighties, but the output soon declined again and at the beginning of the twentieth century it had almost ceased. At that time the lead-

ing position in Siberia was occupied by the Tetiukhe mines (Far East). Between 1909 and 1914 these yielded over 57,000 metric tons of lead ores and about the same quantity of zinc ores, most of which was exported. The zinc contained in the ores of many Altai and Nerchinsk deposits was not extracted, and it was not until just before the war that an English company which had received a concession covering the Ridder and Zyryanovsk mines constructed a concentration plant for separating the ores and also utilizing the zinc ores. For many years Russia's silver requirements had been covered only to the extent of 2 to 5 per cent by the domestic output, while the domestic lead production met only 25 to 30 per cent of the demand; and the remainder had to be imported. In the absence of the Polish mines, which turned out between three-quarters and four-fifths of the former Russian production, the lead and zinc deposits in the Caucasus and Siberia assume greater importance. The Siberian mines, notwithstanding the long years of exploitation, are far from exhausted. For the most part, the mining operations have been limited to the stratum of oxide ores near the surface, as the deeper lying sulphuretted ores are more difficult to work. The necessity of applying more complex methods of separating and smelting the sulphuretted ores was one of the causes of the decline of the Altai, Nerchinsk and Kirghiz mines in the past century.

In the Kirghiz steppe there are up to 200 deposits, for the most part scarcely explored; in the Altai region there are as many as 582; and there are up to 500 more in the Nerchinsk area. In view of their slight exploration the reserves of the Kirghiz deposits have not been determined. The Altai mines that are being worked more or less fall into five groups. The Salair group of mines has an estimated ore reserve of 2,460,000 metric tons with a probable metallic content of 9,860 pounds of gold, 936,000 pounds of silver, 25,000 metric tons of lead, 221,000 metric tons of zinc, and 7,400 metric tons of copper. The corresponding figures for the other four groups are as follows: Zmeinogorsk mines—370,000 metric tons of ore with 5,900 pounds of gold, 144,000 pounds of silver, 23,500 metric tons of lead, 34,000 metric tons of zinc, and 10,300 metric tons of copper; Irtysh mines—2,148,000 metric tons of ore with 6,700 pounds of gold, 350,000 pounds of silver, 121,000 metric tons of lead, 236,000 metric tons of zinc, and 99,000 metric tons of copper; Zyryanovsk mines—607,000 metric tons of ore with 8,320 pounds of gold, 446,000 pounds of silver, 57,000 metric tons of lead, 115,000 metric tons of zinc, and 17,500 metric tons of copper; Ridder mines—3,279,000 metric tons of ore with 162,000 pounds of gold, 1,440,000 pounds of silver, 279,000 metric tons of lead, 492,000 metric tons of zinc, and 18,000 metric tons of copper.

Surveys made in the Ridder mines between the years 1914 and 1916 showed the ore reserves of this group to be larger than the estimates for the other groups, and it is to be surmised that new surveys in the latter will likewise result in increased reserve totals. There is no recent general estimate for the Nerchinsk mines, but inspections carried out since the Revolution have shown that in the majority of the deposits only the surface has been removed, and many pits have been abandoned in the midst of ore. Above the level of the underground water alone there are many thousands of cubic yards of ore according to the most conservative estimates. In the Far East amongst the group of the 19 Tetiukhe deposits the ore reserves of five mines alone are calculated at over 1,600,000 metric tons with an estimated metallic content of 287,000 metric tons of zinc, 213,000 metric tons of lead, and 1,440,000 pounds of silver.

Moreover, beside these four regions there are other Siberian districts with known deposits of silver, lead and zinc. Some of these are in the Provinces of Yenisei and Irkutsk, in parts of Transbaikalia other than those already mentioned, in the Amur region, in Kamchatka, in the Chukhotsk area, and in the Yakut territory. Toward the middle of the nineteenth century and before the war a few of these deposits were worked, among them the mines in the Verkhoyansk and Endybalsk Mountains, as well as neighboring mines, but the mining operations were discontinued owing to the remoteness of the deposits and the lack of passable roads. On the whole, it cannot be doubted that if the mining and smelting of Siberian ores were adequately developed, Siberia alone could supply the entire Soviet requirements of these metals for many years to come. Russia's consumption in 1913 amounted to 792,000 pounds of silver, 59,000 metric tons of lead, and 39,500 metric tons of zinc.

Copper Deposits

The ores of many of the deposits in the Kirghiz Steppe and the Altai Mountains contain copper in addition to silver, lead and zinc, while some mines, for instance, the Uspensky mine in the Kirghiz Steppe and the Chudak, Murzinsk, Sugatovsk and others in the Altai range, are purely copper deposits. In the Minusinsk basin there are numerous copper mines, some of which were worked by the aborigines. A number of copper deposits are situated in the East Sayan Mountains; along the Yenisei near Yeniseisk and in the Noril Mountains along the lower course of this stream, in the Barguzin area, in various localities of the Amur and Ussuri regions, and along the upper course of the Lena River. The only ones that have been worked are the Kirghiz Steppe deposits—in 1914 (38,000 metric tons of ore with a copper content

of 4,800 metric tons), the Altai mines during the eighteenth and nineteenth centuries, the Minusinsk deposits—in 1914 (37,000 metric tons of ore with a copper content of 800 metric tons), and to a slight extent one deposit in each of the Eastern Sayan and Barguzin areas, while the remainder have, for the most part, not been explored.

In 1914 Siberia furnished 17 per cent of the copper produced in Russia. There are estimates of the ore reserves for only two of the many deposits in the Kirghiz Steppe (56,000 metric tons), for five of the mine groups in the Altai range (152,000 metric tons), and for four of the better explored deposits in the Minusinsk basin (between 197,000 and 213,000 metric tons of accessible ore). In general, although Siberia is apparently less rich in copper than in silver, lead and zinc, with proper exploitation its deposits could undoubtedly yield considerably more than 17 per cent of the Soviet Union's total copper output and ore reserves are assured for a long time.

Iron Deposits

Iron ore deposits are known to be present in many parts of Siberia, but very few of them have been surveyed and still less of them have been worked. In 1913 only 3,250 metric tons of iron ore were mined in Siberia, while in 1914 the total fell to 1,200 metric tons. Iron and iron products were imported into Siberia in large quantity from the Ural. Nevertheless, Siberia's iron ore reserves are at any rate sufficient to cover her own requirements and provide for exports to Mongolia, as in the Akmolinsk and Semipalatinsk regions there is a number of deposits, of which the largest—that of Ken-Tiube near Karkaralinsk—contains 7,000,000 metric tons of ore. In Kuznets basin, apart from the minor deposits that long supplied the small Guryev steel and iron plant, the Telbes group of iron ore deposits has been explored and is estimated to embrace reserves totaling up to 30,000,000 metric tons of ore. In the Minusinsk valley two large deposits that are under exploitation, the Abakansk and the Irbinsk deposits, contain up to 15,000,000 metric tons and 8,000,000 metric tons of ore respectively. In Irkutsk Province in the region of the Angara River rapids there are five mines belonging to the Nikolayevsk plant with iron ore reserves mounting up to 6,000,000 metric tons, and an additional number of unexplored iron ore deposits is known to exist in the same locality. During the eighteenth century the small Laninsk iron works operated on deposits found in the mountains near Lake Baikal. In western Transbaikalia there is a number of iron ore deposits, little explored in part and apparently small. One of these, the Baleginsk deposit, has long supplied the Petrovsk plant, which has smelted some 148,000 metric tons of ore since 1788. In the vicinity of the Nerchinsk plant in Eastern

Transbaikalia the Iron Mountain Range contains large iron ore deposits, but they have not yet been explored. In the Amur territory deposits are known to exist in the Little Khingan Mountains, the principal one possessing a reserve of 750,000 metric tons, and there is a number of other deposits in this region. On the Pacific coast in the region of Olga Bay there are several iron mines containing about 2,000,000 metric tons of ore, and near the city of Nikolayevsk there are mines with additional reserves of 800,000 metric tons. The aggregate reserves of iron ore in the Far East are placed at 6,800,000 metric tons. In addition to this, in many parts of Siberia there are iron ore deposits lying embedded in thick, sedimentary strata. In some places, for example, in the Yakut territory, these are exploited on a very small scale by primitive methods, but in due course they are bound to acquire greater importance. Taking into account only those deposits for which reserve estimates are available, Siberia has about 73,000,000 metric tons of iron ore. With the average annual extraction of 1,000,000 metric tons, which would be over 300 times the total for the year 1913, these reserves would suffice for about three-quarters of a century.

Manganese, Tin, Tungsten, Antimony, Bismuth, Arsenic and Mercury Ores

It was not until the twentieth century that attention was directed to manganese ores in Siberia. A number of deposits have already been discovered in the Kirghiz Steppe, where about 330 metric tons were mined in 1900 and 1901, in the Salair district near Achinsk, where about 200 metric tons were mined in 1900, in the mountains near Baikal Lake, where about 800 metric tons were mined for the Nikolayevsk plant, in the Nerchinsk region, and in the Olga Bay district in the Far East. It may be concluded that the manganese ore in Siberia will be adequate for the domestic iron industry.

Apparently, the only tin ore deposits in the Soviet Union are those in the eastern part of Transbaikalia, where a small mine on the Onon River was operated up to the middle of the nineteenth century, when it was discontinued for the same reasons as the Nerchinsk silver and lead mines. Before the war preliminary work was resumed, and during 1925 a detailed survey and a mining test were to be carried out, but the results of the latter are not yet known. Other tin deposits are also known to exist around Zavitsinsk Station on the Ingoda River.

Tungsten ores, which became of such great importance to the steel producing industry during the war, are also found in Siberia, chiefly in Eastern Transbaikalia. A series of deposits is located in groups extending from the Unda River to the Mongolian frontier. During the war mining operations were begun on a small scale, but no deep sur-

veys were made and the reserves were not determined. They seem to be considerable. Besides this, tungsten ore deposits are known to exist in the Kokchetav Mountains of the Kirghiz Steppe, in the Western Altai Mountains (Kolyvansk Mine), and in the upper reaches of the Selemja River in the Amur region (apparently a large deposit).

Not considering the Bayevsk mine in the Altai range, the value of which is still indefinite, the Siberian deposits appear as yet to be the only ones in the Soviet Union that can furnish tungsten for the steel industry.

Antimony is found in some silver and lead deposits of the Nerchinsk region and Verkhoyansk mountain range, where it forms a constituent part of the lead ores (boulangerite) or accompanies them (in the form of antimony-blende), sometimes in considerable proportion (from 2 to 4 per cent, and up to 13 per cent in the Verkhoyansk range). In addition to this there are some unmixed antimony ore deposits in the Nerchinsk area itself and in the Amur territory. In the latter there are deposits in the Boguchan Mountain, near Sgibnevoy Station on the bank of the Amur River, where the antimony-blende has permeated the veins of fluor-spar and may be mined in conjunction with it. The reserve of antimony ore at this point is estimated to extend down to a depth of 200 meters and to aggregate between 420 and 1,400 metric tons. A second deposit, which has not yet been surveyed, is located along the upper course of the Selemja River, apparently in the same place where tungsten is found.

During the war deposits of molybdenum-blende were discovered and worked on the Chikoy River in Western Transbaikalia. The reserve in these deposits has not been determined. Molybdenum also accompanies the tungsten ores in Eastern Transbaikalia and may be mined simultaneously. Independent deposits of molybdenum ores are known to exist in Transbaikalia, in the Amur territory and in the Maritime Province, but there are no definite details regarding them.

Bismuth is mined concurrently with tungsten in the deposits in Eastern Transbaikalia, and it is also found as a concomitant of gold in the placer mines of the Kara and Amazar Rivers and in mother lodes—quartz-tourmaline gold-bearing veins along the upper reaches of the Kara River. It likewise occurs in connection with the silver-lead-zinc ores in the Tetiukhe mines.

Deposits of arsenic ore alone are unknown in Siberia, but arsenopyrite and scorodite accompany other sulphide ores in some deposits in the Altai Mountains and in the Nerchinsk region. Perhaps more importance is possessed by the arsenopyrite accompanying the auriferous pyrites and other gold ores in certain deposits of the Kablinsk Range (for instance, in the Ak-Jal mines) and in

the Berikul mine in the Kuznets district of the Altai territory. In working these ores for the extraction of gold, white arsenic may be obtained concurrently, but the matter still requires study.

Mercury in the form of cinnabar occurs together with gold in some Siberian placer mines. Independent mercury ore deposits are known to exist in the Ildikansk mine (reserve undetermined) in the Nerchinsk region and, apparently, there are others on the northern slope of the Verkhoyansk Range.

Radioactive minerals have been discovered in the basin of the Sliudyanka River on the southern shore of Lake Baikal, but the quantity is small and their importance has not been determined. Monazite, which is a source of thorium, has been found in considerable quantity in the schlich of some gold placer mines in Eastern Transbaikalia and may be mined concurrently with the gold.

Siberia's resources of non-metallic minerals will be treated in a later issue.

Economic Progress of U.S.S.R.

TAKING the output of Russian national economy for the pre-war year 1913 as 100, the total for the Soviet Union amounted to 41 per cent in the fiscal year 1921-22, 57 per cent in 1922-23, 62 per cent in 1923-24, and 71 per cent in 1924-25.

Agriculture reached the 70 per cent level one year before national economy as a whole. The agricultural output constituted 48 per cent of the pre-war total in 1921-22, 68 per cent in 1922-23, 70 per cent in 1923-24, and 71 per cent in 1924-25.

A comparison of the output of Soviet national economy for each fiscal year with the preceding one shows that the total production in 1922-23 was equivalent to 139 per cent of the aggregate for 1921-22, that of 1923-24 to 110 per cent of the total for 1922-23, and that of 1924-25 to 114 per cent of the figure for 1923-24. Thus, the most rapid progress was made during the fiscal year 1922-23, followed by a considerable slackening in 1923-24, and the resumption of a quickening trend in 1924-25.

Agricultural production for 1922-23 was equal to 142 per cent of the total for 1921-22, that of 1923-24 to 104 per cent of the total for 1922-23, and that of 1924-25 to 102 per cent of the total for 1923-24. The output of this branch of national economy took a great forward leap in 1922-23 and then slowed up its rate of advance during the following years, the year 1923-24 showing an advance notwithstanding the diminished grain harvest of 1923.

The country's industrial production displays a much more uniform growth. In 1921-22 it amounted to 28 per cent of the output for 1913, in 1922-23 to 37 per cent, in 1923-24 to 48 per cent, and in 1924-25 to 71 per cent.

The latter percentage accordingly applies alike to the output of Soviet national economy as a whole and to the agricultural and industrial branches individually.

The uniformity of the rate at which the industrial output advanced is brought out into sharper relief if each fiscal year is compared with the preceding one. Soviet industrial production in the fiscal year 1922-23 was equivalent to 131 per cent of the aggregate for 1921-22, that of 1923-24 to 142 per cent of the total for 1922-23, and that of 1924-25 to 148 per cent of the figure for 1923-24.

The output of Soviet national economy as a whole increased from 41 per cent to 71 per cent of the pre-war total from 1921 to 1925 inclusive, the aggregate for the closing year of this period being three quarters larger than that for the opening year.

Soviet Gold Mining Industry in 1924-25

Preliminary figures available at the end of October, 1925, showed that the Lena Gold Mining Trust ("Lenzoloto") and the Aldan Basin, where the Aldan Gold Mining Trust ("Aldanzoloto") was recently formed as an organization of Federal scope, were tied for the largest gold production during the fiscal year 1924-25, each of these two fields having an output of approximately 16,200 pounds avoirdupois. Despite the fact that this was only the second year of its exploitation, production in the Aldan field has thus caught up to that of the Lena mines.

The private gold mining industry, which received a great impetus as a result of the decree passed by the Council of People's Commissars of the Soviet Union on September 23, 1924, with regard to measures for advancing the State and private gold mining industry, added about 14,400 pounds avoirdupois to the gold production for the past fiscal year. During the fiscal period in question there was a marked development of private initiative in the gold mining industry of the Far-Eastern Region, where independent prospectors were scheduled to turn out about 11,520 pounds of gold in 1924-25, or 75 per cent of the total gold expected to be mined in this territory for the year. During the spring and summer seasons of the past fiscal year the gold output of the private prospectors in western Siberia amounted to 1,800 pounds, as compared with 828 pounds for the same months of 1923-24.

The gold production and purchase program for the current fiscal year 1925-26 provides for a total output of 79,200 pounds avoirdupois.

Soviet Petroleum Output in November, 1925

Preliminary data show that the gross output of petroleum for November in the Baku, Grozny and Emba fields amounted to 621,482 metric tons (37,900,000 poods) in comparison with 639,951 metric tons (39,000,000 poods) for October. The

following table gives the comparative production figures for the individual fields during the two months in question:

Petroleum Output in Metric Tons

| Field | October 1925 | November 1925 |
|--------------|--------------|---------------|
| Baku | 442,200 | 425,359 |
| Grozny | 180,951 | 180,280 |
| Emba | 16,800 | 15,843 |
| Total | 639,951 | 621,482 |

The combined output of the three fields for the first two months of the current fiscal year 1925-26 comes to 1,261,433 metric tons, which is 147,608 metric tons, or 11.7 per cent, more than the total for the first two months of the fiscal year 1924-25.

Motor Trucks Built in the U. S. S. R.

The building of motor trucks has been organized in the Soviet Union, and during the next three years 2,535 trucks of 1½ and 3 tons will be turned out at Soviet factories. Trucks of Soviet construction participated in the All-Union Motor Trials last August, competing successfully with foreign makes. No motor vehicles of any type were produced in Russia before the revolution.

In addition to the manufacture of Soviet trucks and motors out of domestic materials, the assembling of 3-ton trucks from parts imported from abroad will be carried on by the auto plants under the supervision of the Supreme Economic Council. Seventy-five hundred of these assembled trucks will be turned out during the next three years.

A passenger automobile manufacturing trust will be organized early in the year in Leningrad. During the first two or three years its output will be limited to cars assembled from imported parts. Between 3,000 and 5,000 automobiles will be turned out annually.

Tractor Construction

Tractor construction, which was started a short time ago in the Soviet Union, has attained certain results in Leningrad. In December, 1925 the "Krasny Putilovets" plants, formerly known as the Putilov Works, turned out its 120th tractor of the F. P. system.

The tractors now being turned out in the Soviet Union consume much less fuel than the American Fordson machines. Thus, the Soviet F. P. tractor uses up 14.5 pounds of kerosene per hour, whereas the Ford tractor requires 17.5 pounds.

With the opening of 1926 the above-mentioned works were scheduled to advance their production to 100 tractors a month. It is planned to make their total output for the year not less than 1,200 tractors.

Soviet Paper Industry

THE paper industry of the Soviet Union occupies a special position among the country's industrial branches. The immense supplies of raw material (wood pulp, straw, and rags), cheap fuel, and the constantly increasing demand for paper products as a result of the Soviet Union's growing cultural needs, are factors extremely favorable to the development of the paper industry.

During the years preceding the war the former Russian Empire, including Poland and the Baltic States, had an annual output of 400,000 metric tons of paper and cardboard, about 164,000 metric tons of chemical wood pulp, and up to 100,000 metric tons of mechanical wood pulp and pulp board.

The Revolution and the civil war brought about an extreme decline in the output of the paper industry, the annual production falling to 32,800 metric tons in 1920.

The transition to the new economic policy in 1921 changed the period of declining production in the paper industry into one of rather rapid rehabilitation. During the fiscal year 1921-22 eight trusts were organized in the Soviet paper industry. The largest of these is the Central Paper Trust ("Tsentrbumtrust"), which operates ten enterprises producing up to 40 per cent of the country's total paper output and over 85 per cent of the chemical pulp. Next comes the Leningrad Paper Trust with seven enterprises turning out up to 20 per cent of all the paper and 25 per cent of the mechanical pulp. A small number of paper factories, run by Provincial Councils of National Economy, has remained outside of the trusts.

The following table summarizes the activity of the Soviet paper industry during the past three fiscal years as compared with the pre-war year 1913:

Output in Metric Tons

| | 1913 | 1921-1922 | 1923-1924 | 1924-1925 |
|-----------------|---------|-----------|-----------|-----------|
| Paper | 400,000 | 34,700 | 118,000 | 192,500 |
| Cardboard | | 2,600 | 12,400 | 17,700 |
| Chemical | | | | |
| Wood Pulp.... | 164,000 | 11,200 | 35,500 | 49,900 |
| Mechanical | | | | |
| Wood Pulp.... | 100,000 | 14,400 | 44,800 | 52,000 |
| Total..... | 664,000 | 62,900 | 210,700 | 312,100 |
| Percentage of | | | | |
| 1913 | 100 | 9.5 | 31.7 | 47 |
| Factories | | | | |
| Operating | — | 27 | 67 | 70 |

The foregoing table shows that the output of the Soviet paper industry for the fiscal year 1924-25 was equal to 47 per cent of the pre-war production. However, if allowance is made for the fact that the pre-war figure includes production in territories (Latvia, Esthonia, etc.) now separated from the Soviet Union, it turns out that the pres-

ent output of the Soviet paper industry for 1924-25 is only slightly less than the pre-war total for the area involved, the equipment in use having remained almost unchanged. On this basis the paper output amounts to 97.4 per cent of the pre-war total, cardboard—94.4 per cent, chemical wood pulp—99 per cent, and mechanical wood pulp—82.9 per cent.

The work of reconstruction in the Soviet paper industry did not begin on a large scale until the fiscal year 1923-24, when expenditures for major repairs to buildings and equipment alone amounted to \$2,523,500, equivalent to 13 per cent of the value of the basic equipment in that industry. In addition, about \$1,030,000 was spent on new construction work during the same year. In 1924-25 approximately \$2,317,500 was disbursed for the reconstruction of the basic equipment of the Soviet paper industry, and it is proposed to devote \$11,330,000 to this purpose during the current fiscal year 1925-26.

Russia always imported considerable quantities of paper to supplement the domestic output. Imports still continue at the present time, as shown by the following figures for the past three fiscal years and the pre-war year 1913:

Imports of Paper in Metric Tons

| | 1913 | 1922-1923 | 1923-1924 | 1924-1925 |
|---------------|---------|-----------|-----------|-----------|
| Paper Imports | 157,400 | 27,200 | 43,400 | 131,200 |
| Percentage of | | | | |
| 1913 | 100 | 17.3 | 27.6 | 83.3 |

In 1913 the country's paper imports were equivalent to about 35 per cent of the domestic production, in 1922-23 to 36 per cent, in 1923-24 to 33.1 per cent, and in 1924-25 to 66.7 per cent.

The present imports consist chiefly of newsprint and book paper.

P A M P H L E T S

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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.
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

New Concessions

AT the end of October 1925 the Council of People's Commissars of the Soviet Union authorized the Low Current Trust to conclude an agreement with L. M. Ericson & Co., a Swedish joint-stock telephone company, concerning assistance to be rendered to the Soviet organization in matters pertaining to automatic telephones. The following paragraphs give the substance of the arrangement:

The Ericson firm grants to the Low Current Trust the exclusive right to manufacture, exploit and sell within the confines of the Soviet Union, Persia, Afghanistan and Mongolia equipment, parts and accessories for automatic telephone installations of the system belonging to the said company. In addition to this, the Trust is accorded the right to exploit all the Ericson patents for the above-mentioned articles in Esthonia, Latvia, and Lithuania.

The Ericson Company binds itself to turn over to the disposal of the Low Current Trust within three months all patents which it possesses as its own property and also those which it has the right to utilize through agreements with other firms and individuals.

The Ericson organization is to render the Trust technical assistance of all kinds, both in the manufacture of automatic telephone equipment, parts and accessories by the Trust's factories, and in matters connected with the planning and installation of such apparatus. Toward this end the Swedish concern will place working drawings, instructions and other material at the disposal of the Soviet Trust. In addition it will supply technical personnel to give instruction in production, and it binds itself to inform the Trust about all inventions of which it may be in possession later in the field of automatic telephony.

For the purpose of expediting the increase of automatic telephone construction in the Soviet Union, the Ericson Company will, upon orders from the Trust, make deliveries of such completed apparatus and such other articles produced in its plants as it would be impossible to manufacture within the required time in the Trust's factories. The Ericson firm will make these deliveries at the most favorable prices on long credit terms.

In return for the privilege of using the Ericson patents in filling orders for the installation of Ericson automatic telephones the Trust is to make the Swedish firm a cash payment in the form of a percentage share of the selling price of the equipment disposed of as a result of the arrangement, the pro-rata share payable to the Ericson Company varying with the details of the various orders executed.

The agreement has been made for a period of six years. At the expiration of this arrangement

the Trust retains the right to utilize the plans, constructions and other materials received from the Ericson concern, as well as the exclusive right to exploit within the limits of the Soviet Union the patents turned over to the Trust during the period of the agreement by the Ericson Company, no monetary compensation being due to the latter organization for this right.

Disputes and differences connected with the agreement are to be settled by a court of arbitration consisting of three members, the umpire being selected by the Ericson firm from five scientists of international reputation in the electro-technological field, to be named by the trust.

Electrical Equipment Manufacturing Concession

During the month of December the large Swedish firm "Asea" closed negotiations with the Chief Concessions Committee for the completion of a big electrical equipment factory in Yaroslav. The "Asea" Company had begun to build this plant before the Revolution, but operations were interrupted in November, 1918. This factory was not nationalized. When it is put into operation it will employ 1,500 workers. The plant will turn out motors, transformers, and other electrical equipment.

Soviet Foreign Trade

THE foreign trade turnover of the U.S.S.R. for last November was \$60,954,000 as compared with \$31,200,000 for November, 1924, according to preliminary customs figures. Exports were \$27,758,000 and imports \$34,196,000, giving an adverse balance of \$6,438,000. The figures are for the European frontiers only.

Grain valued at \$7,313,000 had the leading place on the export list. Other principal exports, in order of values were furs \$3,500,000, timber \$3,000,000, eggs \$2,500,000, petroleum products \$2,200,000, oil seeds \$2,000,000, manganese ore \$800,000.

Metals and machinery worth \$7,500,000 led the imports, followed by cotton \$7,000,000, cotton goods \$3,600,000.

Soviet Petroleum Exports in November 1925

During the month of November, 1925, the Soviet Union exported 12,880 metric tons of kerosene, 24,507 metric tons of gasoline, 45,816 metric tons of fuel oil ("mazut"), 139 metric tons of lubricating oils, 22,791 metric tons of crude petroleum, and 403 metric tons of other petroleum products, making a total of 106,536 metric tons. Petroleum product exports for the first two months of the current fiscal year (i. e., for October and November, 1925) aggregated 221,882 metric tons, representing an increase of 90,870 metric tons over the corresponding period of the previous fiscal year.

Soviet Flax Exports in 1925

British imports of Soviet flax for the first nine months of 1925 totaled 3,283 metric tons, as against 1,100 metric tons in 1924. Soviet flax constituted 15 per cent of England's aggregate imports of this commodity for the period in question, as compared with 4 per cent in 1924. This three-fold increase in the exports of Soviet flax to England occurred in the face of a decline in the latter's total flax imports in comparison with the previous year.

During the first nine months of 1925 Germany took 3,216 metric tons of Soviet flax, which represents about 30 per cent of the entire German flax imports for the period, as against 3 per cent in 1924.

In the course of the same period Soviet flax shipments to France aggregated 14,680 metric tons, as compared with 1,520 metric tons in 1924. France now stands in first place with regard to the importation of Soviet flax.

Soviet Trade with Czechoslovakia

The Soviet Union's trade relations with Czechoslovakia began back in 1921, but their substantial development did not occur until recently, when the large industrialists of Czechoslovakia, in their search for sales markets, gradually began to improve the terms offered for Soviet purchases and to grant credits. In particular, three-year credits were accorded on agricultural machinery and offers of credit for seven and more years were received in the case of equipment for industrial enterprises. The improvement in the quality of Czechoslovak goods and somewhat lower prices as compared with German merchandise also played a considerable role in extending trade. The outcome of all these factors was a material increase in the volume of Soviet orders placed in Czechoslovakia, the total for the fiscal year 1924-25 amounting to 26,500,000 gold rubles (about \$13,647,500), i. e., three times the aggregate for the previous fiscal year.

Soviet exports to Czechoslovakia have proceeded with marked sluggishness. Soviet exports to Czechoslovakia for the past fiscal year in particular amounted to 305,000 gold rubles (approximately \$157,075), as against 2,400,000 gold rubles (approximately \$1,236,000) for the previous fiscal year 1923-24. The unfavorable balance of Soviet trade with Czechoslovakia may prove somewhat of a hindrance to the development of Soviet imports from this country, but the current fiscal year is expected to create better conditions for Soviet exports to the markets of Czechoslovakia.

Soviet-Polish Trading Company

The Soviet Government recently approved the by-laws of a "mixed" joint-stock trading company to be known as the "Sovpoltorg" (Soviet-Polish Trading Company). The participants in this or-

ganization will be the People's Commissariat for Foreign Trade of the Soviet Union and a Polish firm ("Polros") engaged in trade with the Soviet Union.

It is the object of the new company to promote commercial relations between the Soviet Union and Poland. Its operations will include exports and sales on the domestic markets, as well as the organization of production through the working, treatment and sorting of export raw materials. The total value of the goods that may be imported shall not exceed 80 per cent of the value of the goods exported. The company's capital stock is \$515,000 (one million gold rubles), half of which belongs to the People's Commissariat for Foreign Trade. The "Polros" firm undertakes to extend credits to the Soviet-Polish Trading Company in the amount of \$2,060,000 annually at a rate of interest not exceeding 8 per cent per annum.

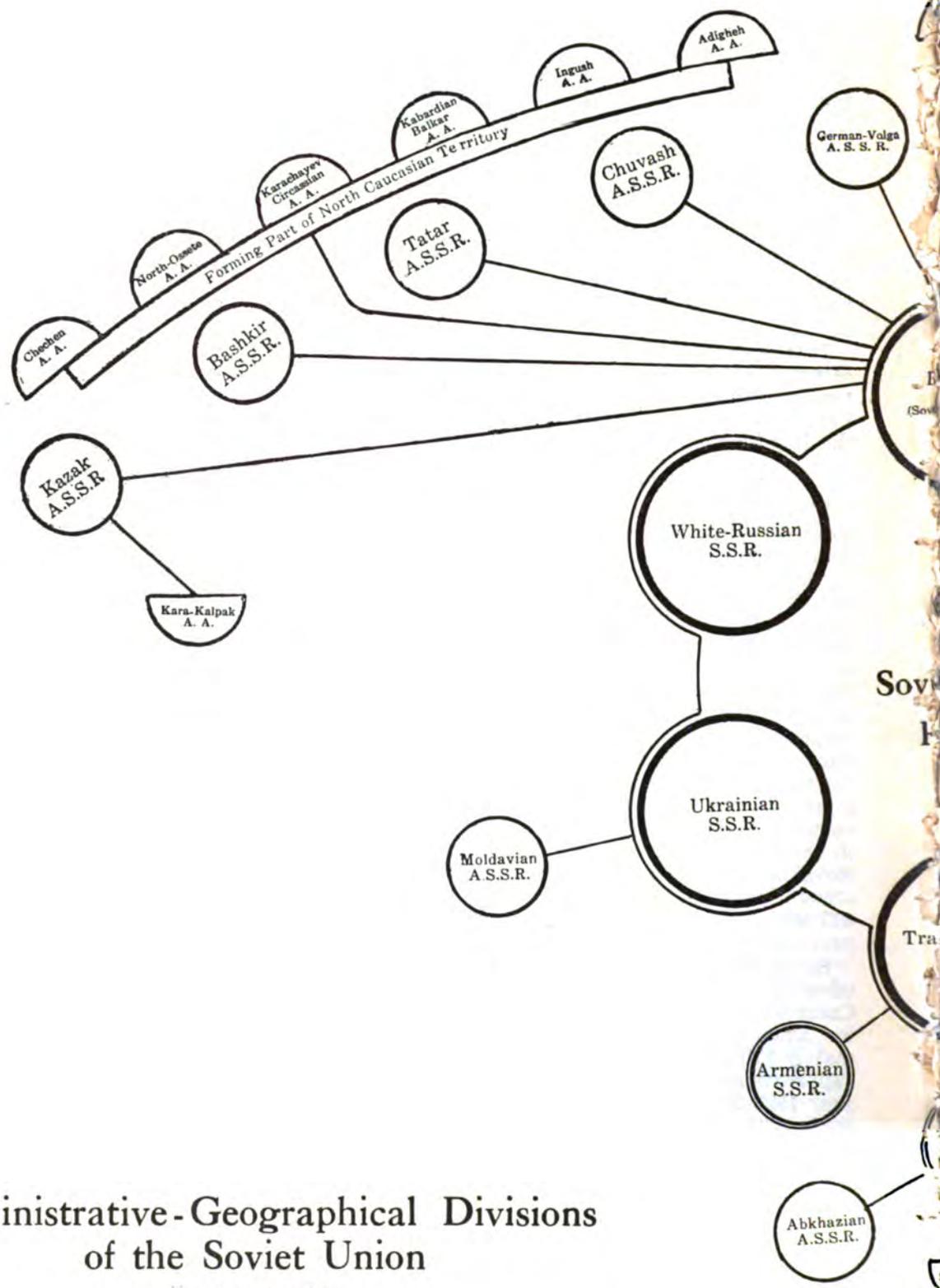
Administrative Divisions of the Soviet Union

ACCORDING to the latest reorganization the U. S. S. R. (Union of Soviet Socialist Republics) embraces the following six Constituent Republics: (I) the R. S. F. S. R. (Russian Socialist Federated Soviet Republic); (II) the Ukrainian Soviet Socialist Republic; (III) the White Russian Soviet Socialist Republic; (IV) the Transcaucasian Federation of Socialist Soviet Republics; (V) the Uzbek Soviet Socialist Republic; and (VI) the Turkoman Soviet Socialist Republic.

I. The R. S. F. S. R., with Moscow as its capital city, consists of 10 Autonomous Republics, 13 Autonomous Areas (Autonomous "Oblast"), 3 Areas ("Oblast"), 44 Provinces ("Guberniya"), 46 Regions ("Okrug"), 363 Counties ("Uyezd"), 652 Districts ("Rayon"), and 3,728 Townships ("Volost"), having a total population of 95,787,942.

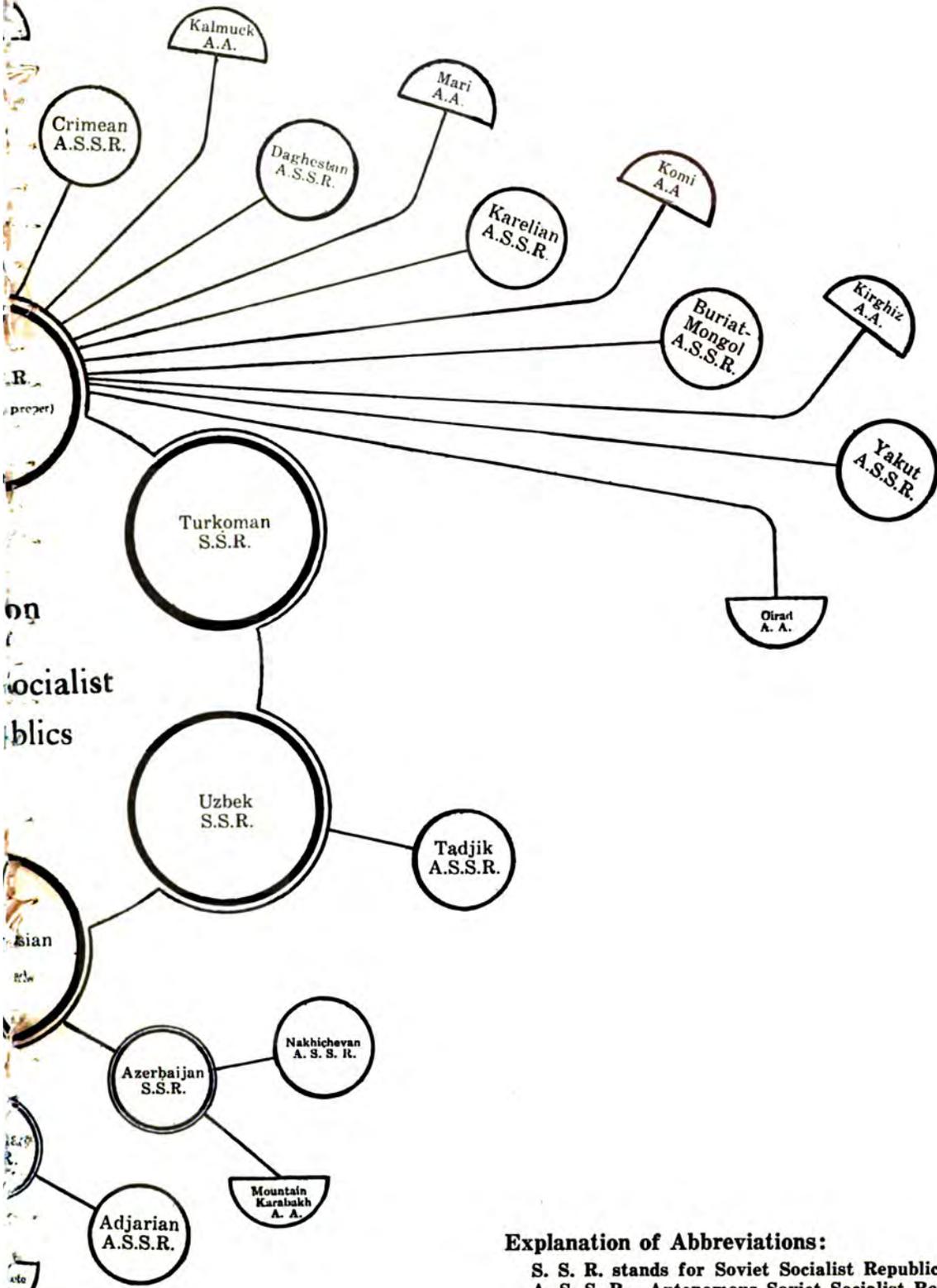
The ten Autonomous Soviet Socialist Republics in the R. S. F. S. R. are: (1) the Bashkir A. S. S. R. with Ufa as its capital city and a total population of 2,440,299; (2) the Buryat-Mongol A. S. S. R. with Verkhneudinsk as its capital city and a total population of 454,797; (3) the Chuvash A. S. S. R. with Cheboksary as its capital city and a total population of 896,926; (4) the Crimean A. S. S. R. with Simferopol as its capital city and a total population of 592,926; (5) the Daghestan A. S. S. R. with Makhach-Kala as its capital city and a total population of 824,212; (6) the German-Volga A. S. S. R. with Pokrovsk as its capital city and a total population of 527,042; (7) the Karelian A. S. S. R. with Petrozavodsk as its capital city and a total population of 245,683; (8) the Kazak A. S. S. R. ("Kazakistan"—formerly called the Kirghiz A. S. S. R.), with

(Continued on page 44)



Administrative-Geographical Divisions of the Soviet Union

October 1, 1925



Explanation of Abbreviations:

S. S. R. stands for Soviet Socialist Republic

A. S. S. R.—Autonomous Soviet Socialist Republic

A. A.—Autonomous Area

Kzyl-Orda (former name "Ak-Mechet") as its capital city and a total population of 5,382,000; (9) the Tatar A. S. S. R. with Kazan as its capital city and a total population of 2,818,039; and (10) the Yakut A. S. S. R. with Yakutsk as its capital city and a total population of 286,097.

The thirteen Autonomous Areas in the R. S. F. S. R. are: (1) the Adigheh (Circassian) A. A. with Krasnodar as its principal city and a total population of 111,701; (2) the Chechen A. A. with Grozny as its principal city and a total population of 361,792; (3) the Ingush A. A. with Vladikavkaz as its administrative center and a total population of 68,801; (4) the Kabardian-Balkar A. A. with Nalchik as its principal city and a total population of 181,504; (5) the Kalmuck A. A. with Astrakhan as its principal city and a total population of 127,019; (6) the Karachai-Circassian A. A. with Batalpashinsk as its principal city and a total population of 148,322; (7) the Kara-Kalpak A. A. with Turtkul as its principal city and a total population of 170,200; this autonomous area is a subdivision of the Kazak A. S. S. R.; (8) the Kirghiz A. A. with Pishpek as its principal city and a total population of 731,451; (9) the Komi (Zyryan) A. A. with Ust-Sysolsk as its principal city and a total population of 207,197; (10) the Mari A. A. with Krasnokokshaisk as its principal city and a total population of 466,913; (11) the North-Ossetian A. A. with Vladikavkaz as its administrative center and a total population of 150,881; (12) the Oirat A. A. with Ulala as its principal city and a total population of 77,529; (13) the Votyak A. A. with Izhevsk as its principal city and a total population of 695,826.

The three Areas ("Oblast") included in the R. S. F. S. R. are: (1) the Ural Area with Sverdlovsk—formerly Ekaterinburg—as its principal city and a total population of 6,312,000; (2) the North Caucasian Territory ("Krai") with Rostov-on-the-Don as its principal city and a total population of 7,500,470; among other subdivisions this Territory contains six of the Autonomous Areas mentioned in the preceding paragraph, namely, the Adigheh A. A., the Chechen A. A., the Ingush A. A., the Kabardian-Balkar A. A., the Karachai-Circassian A. A., and the North Ossetian A. A., and (3) the Siberian Territory with Novo-Nikolayevsk as its principal city and a total population of 6,868,055; among other subdivisions this Territory contains the Oirat Autonomous Area mentioned in the preceding paragraph.

II. The Ukrainian Soviet Socialist Republic, with Kharkov as its Capital and a total population of 27,243,222, consists of 41 regions ("Okrug") with 661 Districts ("Rayon") and 1 Autonomous Republic. The Autonomous Republic in question is the Moldavian Autonomous Soviet Socialist Republic with Balta as its capital city and a total population of 538,151.

III. The White Russian Soviet Socialist Republic has 10 Regions ("Okrug") and 100 Districts ("Rayon") with Minsk as its Capital and a total population of 4,454,673.

IV. The Transcaucasian Federation of Soviet Socialist Republics embraces 3 Soviet Socialist Republics, 3 Autonomous Republics, 2 Autonomous Areas ("Oblast"), 50 Counties ("Uyezd"), 106 Districts ("Rayon"), and 215 Townships ("Volost"), with Tiflis as its capital city and a total population of 5,577,155.

The three Soviet Republics in the Transcaucasian Federation are: (1) the Azerbaijan Soviet Socialist Republic, which has Baku as its capital city and a total population of 2,162,955 and which includes the Nakhichevan Autonomous Soviet Socialist Republic with the capital city Nakhichevan and a total population of 78,950 and the Mountain Karabakh Autonomous Area with Stepanakert as its principal city and a total population of 157,807; (2) the Armenian Soviet Socialist Republic with Erivan as its Capital and a total population of 921,400; and (3) the Georgian Soviet Socialist Republic, which has Tiflis as its capital city and a total population of 2,492,800 and which includes the Abkhasian Autonomous Soviet Socialist Republic with Sukhum as its capital city, the Adjarian Autonomous Soviet Socialist Republic with Batum as its capital city, and the South Ossetian Autonomous Area with Tskhinvaly as its principal city.

V. The Uzbek Soviet Socialist Republic, with Samarkand as its Capital and a total population of 4,803,600, consists of 1 Autonomous Republic, 7 Provinces, 1 independent District ("Rayon"), 31 Counties ("Uyezd") and 262 Township ("Volost"). The Autonomous Republic which it includes is the Tajik Autonomous Soviet Socialist Republic with Dushembe as its Capital and a total population of 745,200.

VI. The Turkoman Soviet Socialist Republic, with Poltoratsk as its capital city and a total population of 914,558, consists of 5 Regions ("Okrug") and 26 Districts ("Rayon").

Population and Area of the Soviet Union

On December 1, 1925, the "Russian Review" published the urban and rural population figures for the Soviet Union and its subdivisions. These figures, showing the population as of January 1, 1925, were based on the census of 1920 adjusted for the normal growth of the population.

Figures published recently by the Statistical Bureau of the People's Commissariat for Internal Affairs of the R. S. F. S. R. (Soviet Russia proper), as of October 1, 1925, show that the estimates for January 1, 1925 were only slightly above the actual situation.

The population of the Constituent Republics and of the Soviet Union as a whole was as follows according to the data for October 1, 1925:

Population of Constituent Republics

| Constituent Republics | Number of Inhabitans | | |
|---|----------------------|------------|-------------|
| | Total | Urban | Rural |
| Russian Socialist Federated Soviet Republic | 95,787,942 | 15,237,900 | 80,550,042 |
| White Russian Soviet Socialist Republic... | 4,454,673 | 679,000 | 3,775,673 |
| Ukrainian Soviet Socialist Republic..... | 27,243,222 | 5,062,000 | 22,181,222 |
| Transcaucasian Federation of Socialist Soviet Republics.... | 5,577,155 | 1,150,900 | 4,426,255 |
| Turkoman Soviet Socialist Republic..... | 914,558 | 109,000 | 805,558 |
| Uzbek Soviet Socialist Republic | 4,803,600 | 741,000 | 4,062,600 |
| Union of Soviet Socialist Republics | 138,781,150 | 22,979,800 | 115,801,350 |

On the same date the administrative subdivisions of the Soviet Union and their areas in square kilometers were as follows:

Administrative Units and Territory of Constituent Republics

| Constituent Republics | Administrative Subdivisions | | | | Area in Square Kilometers |
|--|-----------------------------|--------------|-------|-----------|---------------------------|
| | Auton. Republics | Auton. Areas | Areas | Provinces | |
| Russian Socialist Federated Soviet Republic.. | 10 | 13 | 3 | 44 | 19,683,000 |
| White Russian Soviet Socialist Republic..... | — | — | — | — | 109,800 |
| Ukrainian Soviet Socialist Republic..... | 1 | — | — | — | 429,700 |
| Transcaucasian Federation of Soviet Socialist Republics* | 3 | 2 | — | — | 193,000 |
| Turkoman Soviet Socialist Republic | — | — | — | — | 473,000 |
| Uzbek Soviet Socialist Republic | 1 | — | — | 7 | 322,000 |
| Union of Soviet Socialist Republics | 15 | 15 | 3 | 51 | 21,210,500 |

*The Transcaucasian Federation of Soviet Socialist Republics, as a Constituent Republic, represents a union of three Soviet Socialist Republics—Armenia, Azerbaijan and Georgia—Azerbaijan having, in its turn as a subdivision, 1, and Georgia 2 autonomous republics. Armenia, Azerbaijan and Georgia are not separately counted in the above figures.

Soviet Airplane Construction

DURING the past year the scientific and technical workers of the Soviet Union have enriched the country's aviation with new types of airplanes intended for commercial air service. These machines have been tested in long flights and have displayed excellent qualities, indicating that Soviet construction ideas in this field are on a par with the rapid development of aviation technique in the West and that Soviet industry is capable of putting these conceptions into practice in a material form.

The first of the new Soviet planes was the five-passenger flying machine known as the AK-1, constructed by the engineer Alexandrov in 1924. This airplane was placed in service on the Moscow-Nizhni-Novgorod-Kazan line by the Volunteer Air Fleet ("Dobrolyot"). An old French Salmson motor of 160 horse-power is employed on the plane, which can take up five persons and develop a speed of over 90 miles an hour. An AK-1 airplane completed the famous Moscow-Peking flight under the guidance of the pilot Tomashevsky.

The important problem of constructing an all-metal airplane has been worked up in Moscow by the Central Aero-Hydrodynamic Institute ("Tsagi") with the close collaboration of the State Non-Ferrous Metals Trust ("Gospromtsvetmet"). Using a light aluminum alloy called "Chain-Mail Aluminum," prepared in Soviet metallurgical plants, the workers of the Central Aero-Hydrodynamic Institute turned out an all-metal plane in 1924. This is known as the ANT-2 airplane and is built according to plans drawn up by the engineer A. N. Tupolev, whose initials are employed to designate this type of flying machine. Equipped with a light motor of a maximum of 100 horse-power, this airplane can lift two or three passengers in addition to the pilot and can develop a speed of more than 100 miles an hour. Soviet technicians may well be proud of such achievements. There is no foreign plane that combines such speed with such economy of motor power consumption—only 25 horse-power per person. The ANT-2 flying machine is the starting point of a series of future metallic planes of Soviet construction.

During the spring of 1925 the former "Dux" plant, now named the "Aviakhim" factory constructed a new six-passenger airplane designed by the engineers Semionov and Polikarpov. This machine gave highly efficient results in the trial flights. It yields to foreign planes of this type in no particular, neither with respect to flying qualities, nor with regard to the comfortableness and spaciousness of the cabin and the careful forethought displayed in all the fittings. The plane showed a speed of over 115 miles an hour, carried a load of 1,760 pounds, and flew to a height

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of more than 11,000 feet. All this was accomplished not at the cost of extravagant motor power, but solely as the result of the excellent lines of the machine, which reduce the air resistance to a minimum.

A short time ago the trials of a new airplane designed by the engineer Kalinin were completed, and the results surpassed the designer's expectations. With a small Salmson motor of 160 horsepower (the same as employed in the AK-1 machine) this plane, which has a roomy cabin for two passengers and baggage, developed a speed of 100 miles per hour, attained a height of over 9,750 feet, and displayed splendid steadiness and smooth landing capacity. The design of the Kalinin airplane is primarily intended to produce a machine of relatively inexpensive construction and operation.

A small plane, designed by the engineer Grigorovich to carry three passengers and pilot, made an excellent showing in a trial flight from Leningrad to Moscow. With a motor of only 100 horsepower this airplane carries a comparatively large load, including a five-hour supply of fuel, four persons and their baggage; the motor starts without the assistance of an outside mechanic, the plane takes off easily after a short ground run and can reach a height of more than 11,000 feet and a speed of about 85 miles an hour.

The attainment of all these results in the course of a single year gives promise of worthy future achievements.

Success of Volunteer Air Fleet in 1925

During the first eight months of 1925 the airplanes of the Volunteer Air Fleet covered a total distance of 450,000 kilometers.

There has been an enormous increase in the public demand for aerial transportation. In Central Asia, for example, in such principal points as Khiva, Bokhara, and Dushembe, there is always a large waiting list of persons desiring to engage passage on the airplanes of the Volunteer Air Fleet.

The general economic progress of the Central Asiatic Soviet Republics, the expansion of trade with Afghanistan and China, and other factors of a similar nature undoubtedly open up a good prospect for the further development of the air lines already existing in this territory.

The past year witnessed considerable progress in the reduction of operating costs. Thus, whereas the actual cost of flying one kilometer averaged 2.33 gold rubles in 1924, it decreased to 1.25 gold rubles per kilometer in 1925.

The Volunteer Air Fleet is now effecting a general rate reduction and special low rates are being introduced for certain classes of passengers, such as students and Red Army soldiers.

The following figures demonstrate the fact that airplane transportation is steadily being rendered

more accessible to the traveling public: In 1924 the planes carried an average of 2.28 paying passengers per flight and in 1925 the average was not less than 3.3, rising up to 3.8 during the autumn months. These averages do not take into account the freight transported.

The Volunteer Air Fleet has a large program for the extension of its service, and at the present time the establishment of two lines is receiving practical consideration. The first of these is a line between Yakutsk, the Aldan gold fields, the Lena gold mines, and the Trans-Siberian Railroad. The second is a line connecting the Burjat-Mongolian Soviet Republic (Verkhne-Udinsk) with Mongolia and China. These two branches, together with the already existing Moscow-Koenigsberg-Berlin-London line, are the links of a huge project for aerial transport communication between Europe and Asia.

In conclusion, mention of the devoted services and energy of the pilots working on the air lines in Central Asia should not be omitted. Daily flights of 1,500 kilometers now represent no difficulty for these fliers. Flights over parched deserts completely covered with dunes of shifting sands are an every-day occurrence. The average distance flown by the individual pilot each month is 10,000 kilometers.

The safety record of the flights on this line is 100 per cent perfect.

New Tiflis-Tabriz Airplane Line

This spring the Transcaucasian Aviation Department will open a new airplane line between Tiflis and the Persian city of Tabriz. The flying time for the trip will be 5 hours. At present the journey from Tiflis to Tabriz requires four to five days.

The new line will be equipped with Junker and Dornier planes. A one-way passage will cost 36 gold rubles (approximately \$18).

Ports and Railroads

AN early December report stated that feverish activity was under way at Egersheld, the free-port section of Vladivostok for the accommodation of transit shipments, in order to increase facilities for the big forthcoming export season.

New mooring blocks are being installed, conveyors are being repaired, warehouses are being built, and the butter storage plants are being enlarged.

It is expected that the export and import transit traffic will exceed last year's aggregate as a result of the agreement concluded between the Chinese-Eastern Railroad and the Ussuri Railroad.

At the present time the free transit section of Vladivostok port occupies about 350,000 square

meters, to which it is proposed to add about 100,000 square meters more.

By the beginning of the export season thirty-six warehouses with a combined capacity of about 165,000 metric tons will have been equipped in the free-port area. In addition to this, there are fourteen other warehouses with an aggregate capacity of approximately 230,000 metric tons at Egersheld in the region of the Amur Gulf.

The warehouses at mooring blocks 13 and 14 are fitted with electric conveyors for placing cargo on board ships mechanically.

There are three vegetable oil storage tanks with a total capacity of 6,000 metric tons.

The Egersheld section is being repaired, mechanized and extended in order that it may be ready for the forthcoming activity.

Beans, oilcake, wheat, and vegetable oil will again flow in a heavy stream through Egersheld to Western Europe, China and Japan.

At the date of the dispatch from which these details are taken about half a year had passed since Egersheld was declared a free port. During this time the harbor had been visited by 89 steamers, of which 33 came in with import cargoes, while 56 arrived unloaded to take on export cargoes originating from Northern Manchuria.

Of the vessels calling at Egersheld during this period the most numerous were the Japanese with 42, followed by the English with 16, the Soviet with 15, the Dutch with 6, the Norwegian with 5, the Danish with 3, and the Chinese with 2.

For the corresponding period of the previous year the section of the port now devoted to free transit traffic was visited by only 64 vessels, the craft of some nationalities (Chinese and Dutch) having called at Egersheld for the first time in 1925. The facilities established for the free port have proved effective in attracting new traffic.

The cargo handled at Egersheld during the six months in question totaled 200,000 metric tons. This period, being the slackest with respect to Manchurian exports, naturally cannot serve as an index of the general volume of traffic in the free transit section of the port, since the export season begins in November and ends at the beginning of summer.

The aggregate traffic turnover at the port of Vladivostok for the year 1924 amounted to approximately 746,000 metric tons, and the total for 1925 will undoubtedly show an increase.

Soviet Railroad Operations in 1924-25

The freight carried on the Soviet Union's railroads during the fiscal year 1924-25 reached a total of over 82,500,000 metric tons, or 52.5 per cent of the pre-war volume of freight traffic. In comparison with the preceding fiscal year the aggregate for 1924-25 shows an increase of 22.2 per cent, this being considerably larger than the

advance of 16.8 per cent registered by the fiscal year 1923-24 over 1922-23.

The receipts of the railroad system for the fiscal year in question amounted to 872,800,000 gold rubles (approximately \$449,500,000), representing an increase of 266,100,000 gold rubles, or 30.5 per cent over the previous fiscal year 1923-24.

Time Table for New Paris-Vladivostok Trains

The International Railway Conference held in Moscow during the month of December, 1925, adopted the following time table for train service between Paris and Vladivostok:

The trains will leave Paris on Thursday at 3:10 p. m., arrive at Berlin on Friday at 8:43 a. m., leave Berlin on Friday at 8:53 a. m., arrive at Riga on Saturday at 8:00 a. m., leave Riga on Saturday at 8:50 a. m., arrive at Moscow on Sunday at 9:30 a. m., leave Moscow on Sunday at 1:00 p. m., arrive at Vladivostok on Wednesday at 1:00 p. m., eleven days after the departure from Moscow. The return train will leave Vladivostok on Wednesday at 5:30 p. m., arrive at Riga on Sunday at 11:35 p. m., at Berlin on Monday at 9:25 p. m., and at Paris on Tuesday at 3:30 p. m.

The time table is based on Central European time for Paris and Berlin, and on Moscow time for Riga, Moscow and Vladivostok.

The arriving and leaving time for the international train in Ostend, Calais, Tsuruga and Tokyo has also been agreed upon.

The Situation in Manchuria

IN reply to inquiries regarding the situation in Manchuria, the Russian Information Bureau of Washington, D. C., issued, on January 25, the following statement based on cable reports received by the Bureau from official sources:

"The situation in North Manchuria is extremely tense and menacing. Evidently encouraged by his defeat of Kuo Sun Lin, Chang Tso-Lin, incited by certain foreign interests, has been trying to seize the Chinese Eastern Railway, in defiance of Russo-Chinese treaty arrangements that date back nearly thirty years and were reaffirmed as late as 1924.

"Our advices state that as a result of Chang's arbitrary and war-like actions extreme excitement prevails not only among railway men and Soviet citizens in North Manchuria, but among the population generally.

"The question of payment for military transportation served Chang as a pretext for the present conflict. According to paragraph eleven of the original contract for the construction of the Chinese Eastern Railway in 1896, confirmed by the Peking and Mukden agreements of 1924, Chinese troops were to be transported at half rates.

"Disregarding this, the military authorities of Chang Tso-Lin have been refusing to pay and

have run up a bill of \$14,000,000 for transport. Of late they have refused to accept in principle the obligation to pay, and instead have compelled transportation by force, for the purpose of accentuating the business differences into a political conflict pregnant with grave consequences.

"Our advices make it clear that reports spread in the foreign press that the railway was demanding immediate cash payment are untrue. The latest proposals on the part of the railway management are:

"First: That the Chinese authorities recognize the principle of payment for military transportation, according to article eleven of the original contract.

Second: That payment be derived from the Chinese share of the profits of the railway.

"Our advices give the following sequence of events leading up to the present tense situation:

"On January 16 soldiers forcibly occupied the northbound train at station Kwangchentzi. Upon the demand by the railway authorities that the soldiers leave the cars, they seized the locomotive and stopped all work at the station. The next day the military authorities compelled the railway workers, by threats of death, to take a train to Harbin, without permission of the Railway Administration, disregarding closed semaphores. This trip, of course, gravely menaced the safety of traffic. As a consequence traffic on the south line was suspended.

"Simultaneously Harbin mobs, incited by the authorities, attacked employes of the railway, even attempting to make an attack on the home of Ivanoff, the General Manager. On January 18 the same mob prevented the departure of the western train from Harbin.

"Along with this acts of violence by the soldiers were repeated at various stations, seizing and holding up trains and ill-treating workers and officials, until on the 21st, in the face of impossible conditions, the railway management ordered a suspension of traffic.

"General Chang Huan Hsiang, Chang Tso-Lin's subordinate, tried to involve the consular corps at Harbin in the matter, but failed.

"The military demanded that the railway employes sign an obligation to obey all their orders, or submit to arrest. On January 21 Chinese railway guards (soldiers) arbitrarily attempted to control the running of the southern line. Chinese police ordered the station master at Harbin to turn over the terminal to notorious Russian White Guardists. The station master refused. Thereupon the military authorities, inspired by the same foreign interests mentioned above, turned to warlike measures and on January 22 they arrested Manager Ivanoff and surrounded the Soviet consulate, forbidding anyone to enter or leave, even refusing admission to Gekker and Savrasoff, Soviet members of the railway board.

"On January 19 Karakhan, Soviet Ambassador to China, sent a note to the Chinese Foreign Office describing the outrages to date. He said:

"In bringing the aforesaid matters to your attention, I must protest in the most energetic manner against such actions by the military authorities, which constitute not only a violation of the agreements, but inflict irreparable damage on the interests of both countries. I request you immediately to instruct the authorities to put an end to the outrages and restore order.

"I must point out that the Government of the U. S. S. R. has full regard for the sovereignty of China. The Government of the U. S. S. R. renounced the right of protecting the railway on the presumption and in the hope that the Chinese authorities would highly appreciate that renunciation and, with the maintenance of order entirely entrusted to them, would treat the interests of the railway with particular consideration.

"I am likewise constrained to declare that if headquarters, whose duty it is to protect the Chinese Eastern Railway and to maintain order, is unwilling or unable to secure the necessary protection, I shall be ready to discuss with you measures which under such circumstances it would be indispensable for both Governments to take.

"I invite your attention to the seriousness of the situation, and the necessity for taking extraordinary measures, and to the grave consequences that may arise if such a situation is allowed to continue. I must add that my Government will hold the Chinese Government responsible for damage inflicted by Chinese authorities."

"Karakhan on January 20 addressed a similar telegram to Chang Tso-Lin denouncing Chang Huan Hsiang, and concluding: 'In sending this I think we have warned you in good time. We cannot therefore bear the responsibility of any consequences.'"

"On January 22, hearing of the arrest of Ivanoff, Karakhan made a further strong protest, demanding the immediate release of Ivanoff and pointing out all serious consequences."

On January 23 Mr. Tchitcherin, Soviet Commissar for Foreign Affairs, sent a strong protest to the Chinese Government demanding the release of Mr. Ivanoff and the restoration of order. On January 25 Mr. Ivanoff was set free and the Chinese authorities at Mukden signed an agreement to recognize the principle of payment for military transport and to settle other differences by discussion.

A few copies of Volume I containing all the issues from September 1923 to June 1924, as well as of Volume II, covering the second part of 1924, are still available. Bound in imitation leather. Price: Volume I—\$4.00, Volume II—\$3.00.

Cultural Life in the Soviet Union

Opera in Moscow

MOSCOW is not so rich in operatic theaters as in playhouses. Altogether it has two opera houses and one opera studio.

Both operatic theaters are State institutions. One is called the Great Academic Theater and is the former Great Imperial Theater. The other, which is known as the Experimental Theater, occupies the premises of the former private Moscow opera of Zimin. The Operatic Studio was organized by Stanislavsky, under the leadership of the Moscow Art Theater.

The two State operatic theaters have strong musical resources at their disposal and are served by many prominent individual artists, both in the vocal sphere and in the purely scenic and decorative field.

However, it cannot be said that the State Opera (i. e., the Great Academic Theater) has realized all its available possibilities. More than once the Moscow critics have pointed out the necessity of extending the repertoire. They insist that the State Opera should give all of Wagner and Mussorgsky, the masterpieces of Rimsky-Korsakov and Strauss, as well as model examples of modern opera by Stravinsky, Prokofiev, Schrecker, Debussy and other composers. It was not until the current season that the State Opera took serious steps toward the renewal of its repertoire.

The Great Academic Theater presents mainly those operas which require a complex setting and ensemble with a large orchestra, while the Experimental Theater gives works calling for a smaller expenditure of resources.

At the present time the repertoire of these two operatic institutions includes "Ruslan and Ludmila," "Prince Igor," "Queen of Spades," "Eugene Onegin," "Tale of Tsar Saltana," "Sadko," "Snegurochka," "Tsar's Bride," "Aida," "Faust," "Carmen," "Fra Diavolo," "Demon," "Lohengrin," "Barber of Seville," "Boheme," "Lakme," and others.

During the year 1925 the "Salome" of Strauss was performed for the first time and the "Walküre" of Wagner was revived in a new setting. Both of these premieres won the high praise of the critics. Apart from all their other features, these two settings, as also the rest of the new presentations of recent years, represent the systematic surpassing of operatic decorative routine. In this regard the State Opera strives to keep abreast of the latest scenic developments on the dramatic stages.

A number of new operatic presentations are in prospect and are awaited with extreme interest by the Moscow public. The Academic Opera is rehearsing the "Distant Chimes" by Schrecker and "Stepan Razin" by Triodin, a contemporary

Russian composer, who has already written one opera, the "Silver Prince," (on a theme borrowed from A. Tolstoy), which was performed in Moscow two years ago.

The "Decembrists," an opera by the Moscow composer Zolotarev based on the events of December 14, 1825, will be staged in the near future.

The following presentations are planned: "Boris Godunov" by Mussorgsky, a new opera the "Revolt of the Eagles" (based on the story of the revolt led by Pugachev) by Kashchenko, the "Masquerade Ball" by Verdi, "Christmas Eve," and "May Night," by Rimsky-Korsakov.

The Experimental Theater is rehearsing "Soldier Ivan, the Peasant Son," an opera by the youthful composer K. Korchmarev, and plans a presentation of the "Marriage of Figaro" by Mozart.

Thus the principal presentations are still to come. The "Walküre" and "Salome," magnificently staged by the Academic Opera, inspire the hope that all these projected performances will be outstanding musical events, all the more so because of the prominent musical artists at the head of the companies belonging to the operatic institutions, among this number being Suk, who bears the title of National Artist of the Republic, Ippolitov-Ivanov, who is a distinguished artist and composer, and the composer Golovanov. Among the singers who have thus far appeared on the stage of the State Opera, together with many worthy younger performers, are Nezhdanova, Sobinov, Petrov, and other leaders of the vocal art.

The Opera Studio of Stanislavsky, thus far embracing in its repertoire the "Eugene Onegin" by Tchaikovsky and the "Secret Marriage" by Cimarosa, is only beginning to develop its effects.

New Soviet Moving Picture Films

THE most important event in the current moving picture season in the Soviet Union is the historical film entitled "The Decembrists" which was released by the Northwestern Moving Picture Department ("Sevzapkino") in connection with the one hundredth anniversary of the Decembrist uprising on December 14, 1825. The scale of this colossal picture surpasses anything hitherto known in Soviet film production. The subject of the Decembrist revolt is treated extensively in the picture, so that it had to be divided into two separate films. The first of these shows the activities of the Northern Secret Society (Ryleyev, Kakhovsky and others), the uprising of December 14 on Senate Square in St. Petersburg, and the execution of five Decembrist leaders. The second is devoted to the activity of the Southern Society whose leader was Pestel, the insurrection

of the Chernigov regiment, and the exile and life of the Decembrists in Siberia. The scenarios for both parts were written by Shchegolev, the well known Russian historian, who is best acquainted with the Decembrist movement.

Besides the historical releases the Soviet moving picture industry is putting out a number of films taken in the exotic settings of outlying territories of the Soviet Union. The Northwestern Moving Picture Department has made a picture called "The Struggle for Westinghouse" in the Caucasus. The picture was staged in the region of Batum and Sochi along the Black Sea coast. During the summer of 1925 an expedition was sent to Bokhara to film an export picture entitled "Minaret of Death." The plot of the picture is taken from the history of Central Asia in the seventeenth century. The entire setting for the film was real, including the palaces and gardens of the Emirs of Bokhara, the costumes, the weapons, and other details. The picture was directed by Viskovsky, who has hitherto been engaged abroad.

Notable among the other films to be released by the same motion picture organization is a comedy from Soviet life entitled "The Adventures of Miss October" (this month name being sometimes given to children in honor of the Bolshevik Revolution, which occurred in October according to the old Russian calendar). The entire picture is filmed in a real setting on the streets of Leningrad and is the first successful effort at Soviet moving picture comedy.

Elimination of Illiteracy

ACCORDING to approximate calculations the system for the elimination of illiteracy in the Soviet Union counted 32,052 instruction stations during the campaign for the fiscal year 1924-25. This system was not built up entirely at the expense of the national administration. About 4,000 stations for the liquidation of illiteracy were supported by the trade unions, while somewhat over 3,000 were maintained by the "Down with Illiteracy Society."

During the fiscal year in question about 1,000,000 persons completed the course in the schools for the elimination of illiteracy, but the number attending the schools was larger than this.

Figures for 27 provinces show that 83,725 of the 711,265 persons that learned to read and write in this territory were taught in small independent groups organized by interested individuals.

Besides the stations for the elimination of illiteracy there are schools for persons with only a scanty knowledge of reading and writing. It is the object of these schools to prevent those who have been through the illiteracy liquidation stations from becoming illiterate again.

Work for the elimination of illiteracy among young men not yet called for military service is carried on separately by the instruction stations. The number of such illiterates taught throughout 28 provinces during the fiscal year 1924-25 amounted to 88,630, which is equivalent to approximately 50 per cent of the total number of illiterates among the youth not yet summoned for military service in the territory in question.

A beginning has been made in the liquidation of illiteracy among the national minorities. The illiteracy among many of these national minority groups ascends to 97 or 99 per cent. For instance, 85 per cent of the Tatars and Bashkirs in the R. S. F. S. R. (Soviet Russia proper) are illiterate, while the percentage of illiteracy among the Mordvians (inhabiting the middle Volga provinces) reaches 90. The same may be said of the smaller nationalities. However, here the work for elimination of illiteracy encounters special difficulties. There is not sufficient literature in the national languages, there are not enough trained educational workers for the undertaking, and so forth. Nevertheless, certain achievements may be recorded in this field also. During the years 1923-1925 illiteracy among the Tatars and Bashkirs was liquidated to the extent of 20 per cent. The past year witnessed definite headway in this work. For the first time courses were organized for training teachers and a systematic approach was made to the problem of separate instruction for the women of the Eastern nationalities. During 1925 there were 39 training courses, which turned out about 1,500 teachers for the elimination of illiteracy.

Important work has been done in this field by the "Down with Illiteracy Society." The membership of this organization is increasing steadily. Whereas it had about 500,000 members in February, 1925, the total had grown to 1,400,000 in November of the same year. During this eight-month period the illiteracy liquidation groups in the Society rose from 2,000 to 24,000.

In addition to supporting illiteracy elimination stations with its own resources, this anti-illiteracy organization devotes a great deal of attention to the independent instruction of small groups by interested individuals. Nine-tenths of the work of this sort has been done through the initiative of the Society. During the past year it has succeeded in attracting new social strata into this work. Whereas the independently active member was formerly recruited from the teaching profession, at the present time the educated peasant, worker and clerk has begun to participate. In Yaroslav Province, for instance, out of 1,000 individuals active in the independent instruction of illiterate groups only 432 come from the teaching profession, while the rest are peasants, workers and clerks.

Miscellaneous News

Second Anniversary of Lenin's Death

On January 21 the entire Union of Soviet Socialist Republics commemorated the second anniversary of Lenin's death. The Federal Government officially appointed a two-day period of mourning and remembrance. During this time all public institutions, business houses, factories, stores, and places of amusement were closed. The buildings in all the cities and towns throughout the country were draped with black and red bunting and flags were flown at half mast. The story of Lenin's life and activities was retold in innumerable mass meetings and in special editions of the newspapers. Radio lectures on the personality and career of the great leader and the showing of motion pictures illustrating important events in his public life were prominent features of the memorial arrangements this year.

Soviet Water Power Resources

The water power resources of the Soviet Union are fixed at 64,850,000 horse-power, according to a report of a special investigating commission of the Academy of Sciences of the Soviet Union. This is the first scientific estimate of Russia's power resources made in many years. It places the potential hydraulic power in the Soviet Union far above that of the United States.

Of the above estimate, the water power in the European portion of the Soviet Union is figured at 23,350,000 horse power, giving Russia first place among all European countries in reserves of "white coal." Of the 41,500,000 horse power in the hydraulic resources of Siberia, only 45,000 horse power is under exploitation.

Subtropical Crops in Transcaucasia

The Regional Congress held at Batum during the latter part of 1925 approved the idea that a radical reconstruction of agriculture is necessary in the Black Sea shore area. This view calls for a change from cereal farming to the cultivation of subtropical crops, which are more profitable in this territory and assure the region's agricultural progress.

The Congress expressed its agreement with the opinion that it is especially desirable to increase sericulture, tea growing, and the cultivation of tangerine and citrus fruit orchards and bamboo.

The Batum Botanical Garden has had favorable results from its experiments in the cultivation of subtropical vegetables. Of particular interest among these is the South American sweet potato.

Exhibition of Soviet Jewel Fund

Last December an exhibition of the Soviet Union's Jewel Fund was opened in Moscow. The regalia, or outward insignia of imperial power, rank first among the objects displayed in point of value and historical interest. These are the crown, the imperial orb, the scepter, and the Andreyev chain.

The large imperial crown was made in 1726 by the court jeweler Posier. In the body of the crown are set more than 5,000 diamonds, the largest of which weigh 35 carats, 75 large pearls, and, mounted on top, is one of the biggest rubies in the world weighing over 400 carats. The total weight of the diamonds is about 2,800 carats and of the pearls 763 carats. The whole crown weighs approximately 5 pounds.

The imperial orb goes back to the same epoch, i.e., to the time of the coronation of Catherine II. This is a polished gold sphere encircled by a diamond belt. On the top there is a diamond cross mounted on a 1,200 carat sapphire, while a large India diamond of 47 carats is set in front.

The third item of the insignia, the scepter, is a smooth gold staff with seven diamond circlets, the upper end bearing the famous Orlov diamond of 195 carats.

Then there is an eighteenth century diamond necklace absolutely entrancing in its beauty and the perfect match of its stones. It has 36 India diamonds with a total weight of 475 carats. There are two similar necklaces, one with 45 diamonds aggregating 294 carats, and the other with 23 diamonds aggregating 165 carats.

Among the treasures in the jewel fund a pink diamond of 10 carats and a blue one of 7 carats are also exhibited. There are emeralds and sapphires of fairylike beauty. One emerald of striking purity weighs 136 carats, and there is a 260 carat sapphire beautifully cut in the old style of India.

Soviet Canned Goods Win Prizes at Exposition

Around the middle of December the Soviet Trade Delegation in Denmark informed the Department of Canning Industries in the Soviet Union that the products of the Soviet canning industry had been awarded nine honorary diplomas for high quality at the International Exposition in Copenhagen, which closed at about that date.

The diplomas were received by the following Soviet organizations: Bureau of Canning Industries, State Meat Refrigerating and Slaughtering Corporation, All-Ukrainian Union of Consumers' Cooperatives, Crimean factory of "Centrosoyuz," Daghestan Council of National Economy, Crimean Canning Trust, Odessa Food Trust, Ural Regional State Fisheries and Kuban Agricultural Industry.

Soviet Brake Invention Proves Superiority

Toward the close of 1925 competitive tests were held to determine the comparative merits of a railway brake devised by a Soviet inventor named Kazantsev and a German appliance known as the Kuntze-Knorre brake. The deciding trials were carried out on one of the most difficult railway passes in the Soviet Union (over the Suram Mountain Range in the Caucasus), with a loaded train of cars of 2,000 metric tons total weight rolling on 188 axles. Late in November this train, equipped with brakes of both systems, returned from the testing section to Tiflis.

The tests showed that in spite of the difficulties of the road the Kazantsev brake fulfilled all the requirements to perfection, while the Kuntze-Knorre brake did not prove equal to the task.

Billion Candle-Power Electric Lamp

Professor Heckel of the Soviet Union has constructed a new type of electric lamp capable of furnishing light of one billion candle-power without a reflector. The construction of this lamp is extremely simple. Tests made in the Experimental Electro-technical Laboratory have demonstrated that when fitted with mirrors the new lamp will provide illumination of several billion candle-power.

New Powerful Radio Station Planned

Plans have been completed to equip a new powerful radio station in Moscow for short-wave transmission. It is proposed to give this short-wave station a capacity of 1,000 kilowatts, which will enable it to communicate at will with China and Japan on the one hand and with all of western Europe and America on the other.

Business Turnover of Agricultural Cooperative Unions

The sales turnovers of the central unions of agricultural cooperatives in the Soviet Union for the first half of the calendar year 1925 aggregated \$30,084,755, representing an increase of more than 100 per cent over the total of \$13,544,500 for the same period of the calendar year 1924. The individual turnovers of the various unions of agricultural cooperatives for the first half of 1925 were as follows:

| Union of Cooperatives | Sales Turnover 1st Half 1925 |
|---|---------------------------------|
| "Selskosoyuz" (Union of Agricultural Cooperatives) | \$10,893,795 |
| "Maslotsentr" (Union of Butter Cooperatives) .. | 9,508,960 |
| "Lnotsentr" (Union of Flax Cooperatives) .. | 6,797,485 |
| "Plodovinsoyuz" (Union of Fruit and Grape Cooperatives) | 1,637,700 |
| "Soyuzkartofel" (Union of Potato Cooperatives) | 1,246,815 |
| Total | 30,084,755 |

Plan to Settle Armenian Refugees in Soviet Armenia

Captain Quinsling, who is Mr. Nansen's secretary, recently arrived in Erivan from Paris in connection with the latest decision of the Council of the League of Nations concerning the method of putting into effect Nansen's project for the resettlement of 25,000 Armenian refugees in Soviet Armenia.

Captain Quinsling stated that the special commission which the League of Nations created in conjunction with Nansen's proposal to have a loan of \$4,635,000 granted for irrigation work on lands allotted to refugees in Armenia, decided to send an expert engineer to Armenia to draw up the plans for the irrigation project in collaboration with the engineers of Soviet Armenia. The English engineer Mackintosh was expected to arrive in Armenia shortly for this purpose.

According to Captain Quinsling, Nansen's project, which had encountered opposition at first, was now on the road to realization.

Struggle against Mendicancy, Vagrancy and Prostitution

The Presidium of the Moscow Soviet has appropriated \$515,000 in the current fiscal year's budget to carry on the struggle against mendicancy, vagrancy and prostitution. In addition to this, it is proposed to disburse an additional \$309,000 out of the resources of the Children's Commission to combat vagrancy. Part of these funds has already been allotted by the Moscow Department of Public Education for the maintenance of existing community workshops for children and youths, for prophylactic measures, for opening factories, for aid to adults, and, in general, for the purpose of extending the struggle against vagrancy. The most important step in the fight against mendicancy is the opening of a home with workshops for the destitute in Moscow, funds having likewise been appropriated toward this end. The Presidium has created a special commission to supervise the expenditure of funds on measures in the struggle against vagrancy among young children and against prostitution, along the lines laid down by the Moscow Department of Health.

New Bacon Factory

There are about ten bacon factories altogether throughout the Soviet Union. Recently the construction of a new bacon factory was begun near Kursk. Two Danish engineers have been invited to collaborate in extending its technical equipment. The plant will be fitted out in accordance with the latest technological advances. The entire production process, down to the smallest detail, will be mechanized, so that the Kursk bacon factory will be the equal of any in Western Europe.

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The Church in the Soviet Union

THE legal position of the church in the Soviet Union is defined by the decree of the Council of People's Commissars, published on January 23, 1918, concerning the separation of the church from the State and of the school system from the church.

Under this decree "it is prohibited to issue any local laws or ordinances restricting or limiting freedom of religious belief" and "every citizen may profess any religion or profess none." In consequence of the separation of the church and the schools, "citizens may give and receive religious instruction privately." However, religious instruction is not permitted in schools where general educational subjects are taught.

Religion in the Soviet Union accordingly becomes the individual citizen's private affair, with which the State does not interfere in any way, provided the practice of the religious precepts is not socially or nationally harmful or dangerous.

On the basis of this decree every religious body not pursuing any extrinsic aims, political or otherwise, may exist with complete freedom. But, as is well known, the official Russian church was too long (during the course of several centuries) in the service of Tsarism and occupied itself too much with politics. Hence the ties of the church with the counter-revolutionary organizations, the counter-revolutionary preaching from the church pulpits in the early days of the Revolution, and, under the instructions of Patriarch Tikhon, the active opposition to the work of taking over church treasures for famine relief by the Soviet Government in 1922.

In accordance with the above-mentioned decree of the Council of People's Commissars "all property held by the church and religious bodies is declared a public possession." Thus, the taking over of church treasures was an entirely legal act on the part of the Soviet Government, and anybody interfering with the execution of this measure acted unlawfully and rendered himself liable to specific punishment. And all clergymen and representatives of religious cults brought to trial at that time in connection with the matter of the church treasures were charged not, of course, in view of their religious beliefs and convictions, but with the commission of offenses punishable under the penal code.

The best confirmation of the foregoing is found in the resolution adopted by the All-Russian Church Council in May 1923, which thus characterizes the position taken by the church in the

Soviet Union after the occurrence of the Revolution:

"Beginning with the summer of 1917 the responsible church leaders assumed a definitely counter-revolutionary point of view. The Church must restore the unity of Tsarist Russia—such is the slogan with which the church became imbued in the revolutionary epoch (so intimately was it bound up with Tsarism before the Revolution). The Church Council of 1917, made up principally of the representatives of the reactionary priesthood and also of the higher nobility, property holders and members of the reactionary political parties, definitely became a political counter-revolutionary body from the very beginning, although it masked all these activities under the name of Christ the Savior. The Council fought against the Revolution. It did not recognize even the Provisional Government (Kerensky), and after the November Revolution its opposition went to quite unbelievable extremes.

"After the Council Patriarch Tikhon continued the counter-revolutionary activities. He is the leader and standard-bearer of all the opponents of the Soviet order. He is drawing the church into the counter-revolutionary struggle.

"The Holy Council of the Russian Orthodox Church of 1923 condemns the counter-revolutionary struggle and its methods—methods of hatred for mankind. The Council of 1923 especially deplores the anathema pronounced against the Soviet power and all those recognizing it, and this Council declares the anathematization entirely void."

The same Council declared that in its relation to the State the church must be built "upon the principle of the separation of church and State."

This formulation by the All-Russian Church Council of 1923 was fully confirmed by Tikhon himself in his statement of June 16, 1923, to the Supreme Court:

"Addressing the present statement to the Supreme Court of the Russian Federated Socialist Soviet Republic, I consider myself duty bound by my pastoral conscience to make the following declaration:

"Having been reared in a monarchical atmosphere and having been until my arrest under the influence of persons inimical to the Soviet system, I was in reality hostile to the Soviet order, this hostility going over at times from a passive attitude to active deeds, such as the statement regarding the Brest-Litovsk peace, the anathe-

matization of the Soviet power in the same year, and, finally, the appeal against the decree concerning the taking over of church treasures in 1922. All my anti-Soviet actions, a few inaccuracies excepted, are set forth in the indicting conclusions of the Supreme Court. Recognizing the correctness of the Court's decision to hold me responsible for anti-Soviet activity under the Articles of the Criminal Code indicated in the indictment, I repent of these offenses against the State administration and I beg the Supreme Court to rescind the measures taken against me, i. e., to release me from arrest.

"In this connection I declare to the Supreme Court that I am not now an enemy of the Soviet regime. I disassociate myself finally and decisively from both the foreign and the domestic counter-revolution of monarchists and White Guards."

In his "appeal to the prelates, priests and flocks of the Russian Orthodox Church" Tikhon writes:

"As regards my present attitude toward the Soviet authorities, I have already defined it in my declaration addressed to the Supreme Court, wherein I request the withdrawal of the measures taken in my case, that is, my release from detention. Those circles which in one way or another constantly incited me, as the head of the Orthodox Church, to active attacks against the Soviet order, are substantially responsible for the offense of which I admit myself guilty. Now I declare definitely to all those persons that their zeal will be altogether vain and useless, for I decisively condemn all attempts against the Soviet order, whatever may be their source. Let all the domestic and foreign monarchists and White Guards understand that I am not an enemy of the Soviet authorities. I am aware of all the untruths and slanders to which the Soviet authorities are being subjected by their internal and foreign enemies and which these are spreading throughout the world orally and in writing. They not even omitted to connect me with this. In issue No. 606 of the newspaper "Novoye Vremya" of May 5, 1923, there appeared a news despatch to the effect that electrical torture was inflicted upon me during interrogatories by the members of the Cheka. I declare that this is a downright lie and another slander against the Soviet authorities."

The present attitude of church circles to the Soviet order and to the decree concerning the church is illustrated best of all by the "Statement of the Great All-Russian Pre-Council Conference to the Government of the Union of Soviet Socialist Republics," issued by the Russian clergy before the convening of the All-Russian Church Council. This is what is said in that statement:

"Chained hand and foot by Tsarist oppression, it was only through the November Revolution that the Russian Orthodox Church regained the opportunity of natural free development, of which it had been deprived for many centuries.

"The decree concerning the separation of Church and State gave the church a juridical and actual opportunity to create new forms of life for itself while maintaining a position of unquestioned loyalty and preserving its eternal essence unchanged.

"Therefore it is with great satisfaction that the Great All-Russian Pre-Council Conference welcomes the Workers' and Peasants' Government, which through its great decree for the separation of church and State, systematically and firmly put into effect, has truly established that freedom of church life which the church did not possess under the Tsarist system."

Furthermore, Patriarch Tikhon himself, in the statement made just before his death recognized the justice of Soviet legislation and practice with reference to the church:

"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 religious liberty 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 to exist and carry on its religious affairs according to the requirements of its creed, insofar as this does not conflict with the social order and the rights of other citizens. And, therefore, in epistles to the prelates 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.

"As citizens we should be sincere toward the Soviet power and the work of the Union of S. S. R. for the general welfare, harmonizing the conduct of our external church life and activity with the new national order and condemning all intercourse with the enemies of the Soviet regime and the open or hidden propaganda against it."

The declaration of the Independent Ukrainian Orthodox Church likewise states:

"During the course of its five years of renewed life the Independent Church not only did not enter upon the counter-revolutionary road, but, on the contrary, at the Assembly of 1921 it condemned all attempts to utilize the church organization for the counter-revolutionary purposes of Petlura.* The Ukrainian Independent Orthodox Church has nothing in common with the Petlura faction and has not been in any sort of relations either with Petlura himself or with his representatives. During the short period of Petlura rule in Kiev in 1920 it openly took a stand in opposition to Petlura's designs to meddle in church life."

*Leader of the Ukrainian counter-revolutionists.

Then come the various sects outside of the Orthodox Church. The All-Russian Congress of Baptists addressed the following resolution of thanks to the Central Executive Committee of the Union of Soviet Socialist Republics on December 8, 1923:

"The Baptists, having struggled and suffered throughout the entire course of their history for religious freedom, which they esteem above all other goods, greet the Soviet power as one that in answer to their most sacred hopes has proclaimed complete religious freedom, a substantiation of this being the present Twenty-Fifth All-Russian Congress of Baptists whose assembly was permitted by the Soviet Government. This Congress in the name of the All-Russian Union of Baptists, which has sixteen conferences unauthorized by Tsarist law, connected with its past history under the old regime, expresses its thanks through its Presidium to the Government of the Soviet Union."

The Ninth All-Russian Congress of Evangelical Christians declared:

In a telegram of greetings to the Soviet Government and the Presidium of the Central Executive Committee of the Union of Soviet Republics this Congress "considers it a duty to express its sincere thankfulness to the Soviet Government for permitting the congress and sends up its prayers to Almighty God that he may aid the workers' and peasants' regime in its endeavor to attain the well-being of our land and strengthen the principles of brotherhood and peace amongst nations."

The press has repeatedly printed letters and statements by Mussulman priests declaring that they consider the Soviet regime the only protector of the oppressed Mussulman peoples in the world. This is in itself evidence that the Soviet decree concerning the church is altogether satisfactory to the Mussulmans also.

It may be confidently stated that the court trials of the clergy connected with the various faiths during the years of the Revolution were not characteristic of the legal position of the church in the Soviet Union.

It is well known that the Supreme Court immediately released Tikhon from confinement as soon as he declared his renunciation of the struggle against the Soviet regime. When Bishop Sophronius and certain members of the Transbaikalian Eparchial (Diocesan) Council, who were confined in the Chita prison, addressed themselves to the Supreme Court, admitting their former counter-revolutionary activity during the time of Semenov's rule in some parts of the Russian Far East, and declaring their loyalty to the Soviet regime after the suppression of the Whites in 1920, they were released and the case against

them was dropped. Such examples could be cited in superabundance.

Of course, the priest's cassock could not serve as a defense for those persons who committed crimes of a political or other character. In such cases the Soviet courts regarded the offenses committed by representatives of religious cults in the same manner as those committed by any citizen of the Republic and sentence was pronounced on the basis of existing laws. In Soviet practice there were not and could not be any special religious trials.

The split within the orthodox Church which began during the revolutionary period led to the following basic church groups: "The Living Church," headed by the Archpriest, now Archpresbyter, Krasnitsky; the "Church Resurrection" group under the leadership of the Metropolitan, now Bishop, Antonin; and the "Old Apostolic Church," led by the Archpriest, now Archbishop, A. Vvedensky. These groups, which differed on a number of political and purely church questions, were united in a common struggle against Tikhon and his followers. Tikhon and his group represented the reactionary church elements, which were opposed by the reform movement of the three groups above mentioned.

The most numerous group at the first national orthodox church council was that of the "Living Church." However, a certain realignment of forces occurred after the Council. Antonin and his group were soon out of the superior church managing board, which was transformed into a Synod. Krasnitsky was likewise removed from his post of command. The Synod adopted the policy of creating a "united church front." At first after the retraction by Tikhon a favorable situation was created for his reconciliation with the Synod, but nothing came of the negotiations through various persons in this regard. Tikhon assumed a decidedly independent position. The ranks of his adherents were soon reinforced by Krasnitsky, the leader of the "Living Church." The Synod proclaimed the abolition of church factions in order to put an end to the church schism. In June, 1924, there were two principal groups fighting for power in the church: the Orthodox Church under the leadership of the Synod, and the Tikhon group, transformed into an odd "Tikhon-Living Church," i. e., a union of Tikhon's followers with the Krasnitsky group. The struggle between these different groups is going on within the Synod and the conferences preliminary to the General Church Council.

The Soviet Government does not interfere in any way in the internal life of the church, leaving it to determine its own affairs. No one of the existing church groups can complain of any restriction or of any privileges granted to the other groups. They are all equal before the laws of the Soviet Union.

Soviet Finances in 1924-25

TA**X** revenues occupy a prominent place in the budget of the Soviet Union. During the fiscal years 1922-23 and 1923-24 they constituted 34 per cent of the entire Federal budget, and their proportionate role in the budget has risen to 45 per cent for the fiscal years 1924-25 and 1925-26.

The growth of the various groups of tax revenues, however, has been far from uniform. During the fiscal year 1922-23 the branches of Soviet industry subject to excise taxes were still but slightly developed, so that indirect taxation yielded only 170,000,000 gold rubles (approximately \$87,550,000), or 34 per cent of the total tax revenues, whereas the direct taxes brought in 304,000,000 gold rubles (approximately \$156,560,000), or 62 per cent of the aggregate tax income.

In 1923-24, with an expansion of 59 per cent in the total volume of tax receipts, the direct taxes showed an increase of only 35 per cent, while the income from indirect taxes displayed a growth of 85 per cent for the fiscal year. In correlation with this the relative importance of the two tax categories changed. The proportionate role of the direct taxes declined 10 per cent, while that of the indirect taxes rose 5 per cent in the aggregate mass of taxes. The same tendencies were active in 1924-25, the relative receipts from direct taxes falling 3 per cent, while those from indirect taxes advanced 4 per cent in comparison with 1923-24.

This trend is explained by the fact that due to the economic revival experienced by the Soviet Union the population quickly increases its consumption and thereby augments the amount of revenue derived by the State from indirect taxes. Now, the development of direct taxes cannot proceed at such a rapid pace, since the pressure exerted in this part of the taxation field can vary only between definite limits, fixed by the necessity of promoting the process whereby the population (chiefly the peasantry) accumulates certain surplus resources which may assure the further progress of national economy. As for this accumulation, its control is effected by means of a progressive scale of income taxation.

The process in question is also evident in the proposed budget for the fiscal year 1925-26, wherein the indirect taxes are crowding out the direct taxes with respect to absolute quantity, too.

The burden of direct taxation (agricultural tax) on the peasantry is being reduced to 235,000,000 gold rubles (approximately \$121,025,000) from the previous year's figure of 336,000,000 gold rubles (approximately \$173,040,000). Consequently, despite the growth of the direct taxes assessed upon the urban population (the trading tax is being increased by almost 10 per cent and the income tax by almost 26 per cent), the total to be

derived from direct taxation during 1925-26 is scheduled for a sharp decline from 647,000,000 gold rubles (approximately \$333,205,000) in 1924-25 down to 569,000,000 gold rubles (approximately \$293,035,000), i. e., a decrease of 12 per cent. On the other hand, according to the budget project for 1925-26 the indirect tax revenues are to aggregate 976,000,000 gold rubles (approximately \$502,640,000), representing an increase of 74 per cent over the preceding fiscal year.

The indirect taxes have interchanged roles with the direct taxes in the budget for 1925-26, the former now constituting 58 per cent and the latter 34 per cent of the total taxation revenues, almost the exact reverse of the situation in 1922-23.

The following table shows the changes in revenue roles played by the three classes of taxes, direct, indirect, and duties (chiefly stamp tax) during the three past fiscal years as compared with the current fiscal period:

Federal Tax Revenues in Millions of Gold Rubles

| Class of Taxes | 1922-23 | 1923-24 | 1924-25* | 1925-26 |
|---------------------|---------|---------|----------|---------|
| Duties | 23 | 70 | 108 | 150 |
| Indirect Taxes..... | 170 | 308 | 562 | 976 |
| Direct Taxes | 304 | 410 | 647 | 569 |
| All Taxes | 497 | 788 | 1,317 | 1,695 |

Taxation of Personal Incomes from Trade and Industry

The People's Commissariat for Finances of the Soviet Union recently completed a tabulation of the tax assessments upon incomes not derived from personal labor for the first half of the fiscal year 1924-25, that is, for the six-month period extending from October 1, 1924 to April 30, 1925. The data show that for the half year in question 1,062,730 persons enjoying incomes not derived from personal labor, or 51.2 per cent of the total number of persons paying income taxes in the entire country, were assessed, 388,733 of the persons in this particular group, or 37.1 per cent, coming under the category of those paying progressive income taxes.

The largest group of the taxpayers in this class, constituting over four-fifths of the total, consists of persons deriving their incomes from participation in trading or industrial enterprises in the capacity of owners, lessees, stockholders, or by engaging in all kinds of business transactions, such as contracting, commission, brokerage, forwarding, stock exchange and similar operations. Of the persons assessed in this class 24.4 per cent are owners of trading enterprises of class I† and of industrial enterprises employing not more than three workers; 33.8 per cent are owners or part owners of trading enterprises of class II and of in-

*At the time this article was written the exact figures of the tax returns for 1924-25 were not yet available.

†The class of smallest trading enterprises.

dustrial enterprises employing from 4 to 6 workers; 37 per cent are owners or part owners of trading enterprises of class III and of industrial enterprises employing from 7 to 30 workers; 4.2 per cent are owners or part owners of trading enterprises (semi-wholesale and large retail establishments) of class IV and of industrial enterprises employing from 31 to 150 workers; and, finally, 0.6 per cent are owners or part owners of trading enterprises (wholesale establishments) of class V and of industrial enterprises employing over 150 workers.

The group of persons living on income derived from cash capital, interest-bearing paper and securities is very small, embracing only 640 persons, or 0.2 per cent of the total number paying income taxes.

The incomes of all the persons subject to the progressive income tax aggregated 447,400,000 gold rubles for the half year period in question. This total included 358,600,000 gold rubles in the form of incomes not derived from personal labor. Of the latter amount 320,500,000 gold rubles, or 89.4 per cent, fell to the share of merchants and industrialists; 19,500,000 gold rubles, or 5.4 per cent, to owners and lessees of properties; 900,000 gold rubles, or 0.3 per cent, to owners of cash capital; and 15,200,000 gold rubles, or 4.2 per cent, to other persons paying income taxes.

The average income derived by the individual payer of progressive income taxes in the Soviet Union amounted to 890.9 gold rubles for the first half of 1924-25, or 148.5 gold rubles per month.

Deposits in Soviet Savings Banks

In November, 1925, new deposits attracted by the Soviet savings banks aggregated over 5,700,000 gold rubles (one gold ruble is approximately equal to \$0.515). The increase in savings deposits for the whole country during this month constituted 13.6 per cent, as compared with 12 per cent in October and 10.6 per cent in September.

On December 1, 1925, the deposits in all the savings banks of the Soviet Union totaled about 42,400,000 gold rubles, of which the savings institutions in the R.S.F.S.R. (Soviet Russia proper) had 34,100,000 gold rubles; Ukraine—5,700,000 gold rubles, White Russia—700,000 gold rubles, Central Asiatic Soviet Republics—1,300,000 gold rubles, and Transcaucasia—600,000 rubles.

During November, 1925, the savings banks obtained 30,561 new depositors, as compared with 24,660 in October and 37,273 in September. The total number of active savings accounts on December 1, 1925, was 868,669.

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

Soviet Foreign Trade

THE foreign trade turnover of the Soviet Union across the Asiatic frontier for the fiscal year 1924-25 aggregated 135,800,000 gold rubles (approximately \$69,937,000). The exports amounted to 59,700,000 gold rubles (approximately \$30,745,500), while the imports totaled 76,100,000 gold rubles (approximately \$39,191,500), making an adverse balance of 16,400,000 gold rubles (approximately \$8,446,000).

The group of raw and semi-manufactured materials holds first place among Soviet exports across the Asiatic frontier, sugar playing an especially important role with exports valued at about 14,000,000 gold rubles (approximately \$7,210,000).

The commodities imported by the Soviet Union across the Asiatic frontier consisted principally of foodstuffs, among which the leading rank was occupied by rice with imports also valued at about 14,000,000 gold rubles.

The largest Soviet foreign trade turnover with Asiatic countries was that with Persia amounting to 20,000,000 gold rubles (approximately \$10,300,000).

American Tractors Purchased for U.S.S.R.

The Amtorg Trading Corporation of New York, acting for the trading bureaus of several of the republics of the Soviet Union and for the agricultural cooperatives, purchased 13,632 American tractors during 1925 for shipment to the Soviet Union. The value of the purchases was \$6,576,000. The total of agricultural machinery including tractors purchased in the United States during 1925, for shipment to the Soviet Union, amounted to \$13,452,734.

The above figure for tractor purchases here breaks all Russian records. Before the war there were less than 500 tractors in the whole Russian Empire. Last spring 5,000 tractors, most of them imported from the United States, took part in the spring plowing in the Soviet Union, and in the fall there were 12,500.

During 1926 it is planned to increase the supply of tractors by 22,000, most of which will be imported from the United States. Tractor production has been organized in Moscow and Leningrad.

Cooperatives in Soviet Foreign Trade

The expansion of cooperative operations on the domestic markets of the Soviet Union, the consolidation of the financial side of their activities, and the extension of the cooperative system have all played a part in increasing the foreign trade transacted by the cooperative organizations. The accompanying table illustrates the movement of the volume of foreign trade done by the Soviet

cooperatives during the past three fiscal years, together with an indication of the percentage which it constituted of the country's total foreign trade:

Foreign Trade Done by Cooperatives

| Fiscal Year | Exports Gold Rubles | Percentage of Total Exports | Imports Gold Rubles | Percentage of Total Imports |
|-------------|---------------------|-----------------------------|---------------------|-----------------------------|
| 1922-23 | 36,800,000 | 17.5 | 15,500,000 | 8.3 |
| 1923-24 | 40,000,000 | 8.0 | 30,000,000 | 6.5 |
| 1924-25* | 64,000,000 | 12.5 | 23,400,000 | 3.8 |

The cooperative foreign trade turnover for the fiscal year 1924-25 was distributed in the following manner among the various classes of organizations in this field:

Cooperative Foreign Trade in Millions of Gold Rubles

| | Exports | Imports | Total |
|--|---------|---------|-------|
| "Centrosoyuz" (Central Union of Consumers' Cooperatives) | 20.2 | 13.9 | 34.1 |
| "Selskosoyuz" (Central Union of Agricultural Cooperatives) | 12.1 | 4.3 | 16.4 |
| Central Union of Ukrainian Cooperatives | 2.9 | 2.6 | 5.5 |
| "Maslotsentr" (Central Union of Butter Cooperatives) | 12.6 | — | 12.6 |
| "Lnotsentr" (Central Union of Flax Cooperatives) | 11.2 | — | 11.2 |
| "Vsekoles" (All-Russian Union of Timber Cooperatives) | .6 | — | .6 |
| Other Cooperative Organizations | 4.4 | 2.6 | 7.0 |
| Total | 64.0 | 23.4 | 87.4 |

It is evident that all of the cooperative organizations engaged in both export and import trade have a favorable balance. This favorable balance amounts to 6,300,000 gold rubles in the case of the Central Union of Consumers' Cooperatives ("Centrosoyuz"), 7,800,000 gold rubles in the case of the Central Union of Agricultural Cooperatives ("Selskosoyuz"), and so forth.

An examination of the foreign business of the cooperatives according to basic commodity groups reveals that 34 per cent of the total transactions concerned foodstuffs, 29 per cent flax and hemp, 20.5 per cent furs, etc. Foodstuffs and delicacies ranked first on the cooperative import list with 49 per cent of the total, followed by agricultural materials and manufactures with 19.5 per cent, industrial raw materials and semi-manufactured products with 13 per cent, etc.

Italo-Soviet Trading Organizations

During the latter part of 1925 an Italo-Soviet trading organization called the Marudo Syndicate was founded in Milan. It will also have offices in Moscow. The syndicate embraces the Bernasconi Silk Fabrics Corporation with a capital of 15,000,000 lire, the Silk Products Spinning Company with a capital of 60,000,000 lire, the Carlo

*Across European frontiers.

Pachetti Italian Dry Goods Company with a capital of 30,000,000 lire, the Varinni Dry Goods Company with a capital of 20,000,000 lire, the Isotti-Fraschini Automobile Works with a capital of 40,000,000 lire, and the Philotechnic Company with a capital of 8,000,000 lire.

At about the same time a new board of directors was elected at the general stockholders' meeting of the Italo-Russian Export and Import Company, organized some months before. In this connection it is expected that the company will be enlarged. It will include the Marine Credit Bank, the Central Insurance Company of Venice, the Bielleze Bank and other enterprises.

It was also reported from Italy that the capital stock of the Industrial Foreign Trade Company was being increased from 7,000,000 lire to 50,000,000 lire. This company is engaged in export and import trade with the Soviet Union. Recently the business turnover of this enterprise had grown to such an extent that the sevenfold increase of capital became indispensable.

Exports of Soviet Agricultural Products to Egypt

Egyptian merchants have initiated negotiations for the exportation of Soviet meat, game, pork, butter and other products from Odessa to Alexandria. A large Egyptian storage company has offered its cold storage warehouses for keeping the products, so that it will be possible to begin the exportation of Soviet food products to Egypt in the very near future.

Domestic Trade of Soviet Union in 1924-25

DATA published in December, 1925, show that the total internal trade of the U.S.S.R. for the fiscal year extending from October 1, 1924 to September 30, 1925, was as follows in comparison with the preceding fiscal year (amounts in gold rubles):

| | 1924-25 | 1923-24 |
|--|----------------|----------------|
| Turnover of Trading and Industrial Enterprises | 21,364,900,000 | 14,435,600,000 |
| Peasant Trade | 4,837,000,000 | 3,642,000,000 |
| Total | 26,201,900,000 | 18,077,600,000 |

In 1923-24 the domestic trade turnover of the Soviet Union constituted 51.7 per cent of the pre-war volume and in 1924-25 it equalled 71.2 per cent.

The following table gives the distribution of the internal trade turnover for the two-year period in question according to business categories:

*Domestic Trade Turnover of the Soviet Union
in Millions of Gold Rubles*

| | 1924-25 | 1923-24 | In Percentage of Total | |
|----------------------------|----------|----------|---------------------------|---------|
| | | | 1924-25 | 1923-24 |
| State Trade.... | 10,780.0 | 6,500.0 | 50.4 | 45.0 |
| Cooperative Trade | 5,270.1 | 2,845.5 | 24.7 | 19.7 |
| Private Trade.. | 5,314.8 | 5,090.1 | 24.9 | 35.3 |
| Total | 21,364.9 | 14,435.6 | 100.0 | 100.0 |

An analysis of the turnover according to wholesale and retail transactions shows the following percentage variations in the proportion of the total business done by each of the three above-mentioned categories:

*Percentage of Wholesale Domestic Trade Transacted
by Various Types of Organizations*

| | State Enterprises | Cooperative Enterprises | Private Enterprises |
|--------------|----------------------|----------------------------|------------------------|
| 1923-24..... | 62.8 | 15.8 | 21.4 |
| 1924-25..... | 68.9 | 19.2 | 11.9 |

Percentage of Retail Domestic Trade Transacted

| | State Enterprises | Cooperative Enterprises | Private Enterprises |
|--------------|----------------------|----------------------------|------------------------|
| 1923-24..... | 16.4 | 25.9 | 57.7 |
| 1924-25..... | 22.8 | 32.9 | 44.3 |

It should be observed that these figures are only preliminary, the final statistics having not yet been completed at the time of writing.

The Kursk Iron Reserves

A FEW years ago magnetic peculiarities observed in the Province of Kursk, about 250 miles south of Moscow, led to the discovery of enormous iron deposits in this part of Russia. The investigations were conducted for a number of years and were terminated at the end of 1925. In connection with the termination of the investigation Professor I. M. Gubkin, who headed the survey, made the following statement to the Soviet press last December concerning the results of the work:

During the closing months of 1925, in conformity with the plan laid out, the work was concentrated in the northern zone of the magnetic anomaly in the Staryi-Oskol and Tim districts, while in the Shchigry district the borings previously begun were merely completed. In the southern zone of the magnetic anomaly, passing along the Belgorod city district, the work was limited to magnetometric operations for tracing the magnetic ridge lines in a southeasterly direction, but it proved impossible to establish the limits of these ridges. The magnetometric survey made last summer was carried out principally

along a southeasterly direction of the zone on the boundary of Kursk and Voronezh Provinces and was designed to define the limits of the distribution of magnetic ore deposits.

From the inception of its work in 1919 the investigating committee succeeded in taking observations at 15,000 points, as compared with the 4,200 points covered by the late Professor Leist.* This made it possible to draw up a correct magnetometric map and upon that basis to conduct test drilling operations in the most accurate manner.

Especially important significance in the investigation of the magnetic anomaly was possessed by the boring operations, which permitted an exact determination of the presence of iron ores and their quality. Comparatively detailed surveys in this regard were made in the Shchigry district, where 13 shafts were sunk out of the total of 19 drilled by the Committee during the entire period of its activity. Numerous accounts of the results of the work in this district have appeared previously in the Soviet press.

Four shafts, Nos. 14, 15, 16 and 19, were sunk in the Saltykovo district. The first, No. 14, was sunk to a depth of 135 meters without encountering any ore. Shafts Nos. 15 and 16 revealed iron ore quartzite at depths of 116.34 meters and 126.5 meters respectively, while argillites and iron ore quartzites were found in shaft No. 19 at a depth of 142 meters. In the lower points of this district there is reason to suppose the existence of a stratum of iron ore at a depth of 75 to 80 meters. The test borings near the village of Saltykovo cleared up the approximate vertical extension of the supplementary magnetic ridge which branches off from the main ridge in a somewhat northerly direction. The vertical measurements of the deposits here range between 500 and 550 meters, being considerably larger than those of the deposits in the Shchigry district, where the average depth extension is 223.5 meters. Here one of the shafts was driven for a distance of 72 meters through iron quartzites, the pure iron content of individual layers having been determined at 30.4 to 52.7 per cent.

Shaft No. 18 was sunk in the Ogibnoye village district and iron ore quartzites were encountered at a depth of 200.04 meters, the drilling having been stopped here at 201.78 meters in accordance with the plans.

The results obtained by the investigation in the Tim district proved to be the most remarkable. The almost complete absence of magnetic anomaly at this point, combined with a considerable irregularity of gravitational force, impelled the commit-

*A German scholar who had studied the magnetic peculiarities of the Province of Kursk and was the first to propose the hypothesis that enormous iron ore deposits must be situated in that region.

tee to surmise that masses of iron ore without magnetic properties lay beneath the earth in this locality. To verify this hypothesis shaft No. 17 was drilled in this district and yielded brilliant results. Iron ore quartzite containing layers of hematite was found at a depth of 167.7 meters. A continuous test strip eight meters long at this point showed a content of 34.3 per cent of soluble iron, while other tests yielded 48.2 to 53 per cent of pure iron.

As a result of all these operations it was established that the ore containing stratum of the northern zone stretches in an unbroken subterranean ridge through Shchigry, Tim and Staryi-Oskol Counties, Novyi Oskol and further in the direction of Valuiki for a distance of 300 kilometers. In addition to this, as indicated above, there is a number of subterranean branch ridges in the Staryi-Oskol district.

The question arises whether it is now possible to make an accurate estimate of the ore reserves in the region of the Kursk magnetic anomaly. In this connection it must be pointed out that although the test borings were spread over a distance of 125 kilometers, in comparison with the extent of the deposits in the zone of the Kursk magnetic anomaly they are far too inadequate for accurate data on the aggregate ore supply in the entire area. However, the surveys carried out make it possible to present the following figures with a close degree of approximation. The test borings indicate that the aggregate pure iron content of the deposits in the Shchigry district down to a depth of 400 meters may be taken at approximately 57,500,000 metric tons per kilometer of horizontal extension along the axis of the magnetic anomaly. In this district about 11 kilometers were surveyed, so that the reserves of pure iron here may be placed at about 630,000,000 metric tons.

In the Tim district, taking the vertical extension of the ore containing stratum as equal to that of the Shchigry district (223.5 meters) and the horizontal extension at 15 kilometers, the total pure iron content in the deposits reaching down to 400 meters below the surface is about 800,000,000 metric tons.

Supposing the thickness and iron content of the ore-bearing stratum to be uniform, the reserves of pure iron throughout the whole northern zone of the anomaly may accordingly be set at between 16,000,000,000 and 20,000,000,000 metric tons.

The concrete results obtained by the investigation of the Kursk magnetic anomaly may be classed under two heads—the scientific and the practical. The scientific and theoretical phase of the results secured by the survey may be regarded not only as brilliant, but also as unprecedented and of worldwide interest. The committee succeeded in absolutely confirming the correctness of

the hypothesis put forth by the late Professor Leist and in finding the cause of the most marked magnetic irregularity in the world. In addition to this, the investigation has established new records with respect to the volume of work done in the study of useful minerals, as well as with regard to certain technical results attained.

The practical results of the investigation are likewise enormous. They have revealed in the European center of the Soviet Union the existence of iron ore reserves sufficient to supply the country's requirements for hundreds of years to come. Most important is the fact that an analogy has been discovered in the structure of the deposits of the zone of the Kursk magnetic anomaly and those of the Krivoy Rog basin. This alone forces the committee to think that the encountering of test borings with a less rich iron content is a chance occurrence and that when more careful mining surveys are instituted there is every reason to expect that masses of high grade iron ore of the same richness as in the Krivoy Rog basin will be found here.

In the present economic situation of the Soviet Union and in view of the incomplete utilization of the Krivoy Rog basin with its richer iron ore, it may be that the exploitation of the deposits connected with the Kursk magnetic anomaly possess no direct interest for the country at the moment.

However, the importance assumed by these deposits in the world's iron ore reserves may best be seen from the following calculations made at the Thirteenth Geological Congress held at Stockholm. According to these data the aggregate reserves in America and Europe, including the Soviet Union, but not taking into account the zone of the Kursk magnetic anomaly, amount to 10,070,000,000 metric tons, and in this connection the question of a worldwide exhaustion of iron reserves within some scores of years was raised at the congress. As above indicated, the deposits found in the northern zone alone of the Kursk magnetic anomaly area, to say nothing of the uninvestigated southern zone, furnish sources of iron ores considerably surpassing all the world reserves hitherto known. Accordingly, the investigation of the Kursk magnetic anomaly settles the problem of the exhaustion of the iron reserves not only for the Soviet Union, but also for the whole world.

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

THE production of asbestos in the U.S.S.R. is in the hands of a special trust, the Ural Asbestos Trust ("Uralasbest"), which exploits the Bazhenovo, Ostankinsk and Krasno-Uralsk (formerly Nevyansk) deposits. The Alapayevsk asbestos mines are operated as a concession by the Allied American Company ("Alamerico").

As compared with the pre-war year 1913, the output of Ural asbestos has been as follows during recent years:

| Year | Output in Metric Tons | Percentage of 1913 |
|---------------|--------------------------|-----------------------|
| 1913 | 22,500 | 100.0 |
| 1921-22 | 2,900 | 13.0 |
| 1922-23 | 5,200 | 23.1 |
| 1923-24 | 7,900 | 35.1 |
| 1924-25 | 9,800 | 43.5 |

Before the war Russian asbestos exports went almost exclusively to European countries, Austria and Germany taking up to 60 per cent of the total. During the war asbestos began to be shipped in large quantities to England, which took as much as 80 per cent of the entire exports, and some was also sent to the United States and Japan. Russian asbestos exports reached the summit of their development in 1912, when they amounted to 13,260 metric tons, valued at about 1,800,000 rubles (approximately \$900,000). As a result of the decline in production, exports ceased altogether with the beginning of the Revolution and were resumed on a small scale only during the second half of 1921.

During the fiscal year 1924-25 about 10,000 metric tons of Soviet asbestos, valued at 2,000,000 gold rubles (approximately \$1,030,000), were exported.

The export program of the Ural Asbestos Trust for the current fiscal year 1925-26 provides for the attainment of the pre-war volume of asbestos shipments, the quota being set at 14,300 metric tons.

Lead and Zinc Production in the U.S.S.R.

During the past fiscal year 1924-25, as was also the case in preceding years, the extraction of lead and zinc ores in the Soviet Union was confined to the Sadon mines of the Alagir enterprise (formerly the Caucasus Zinc Trust "Kavtsink"), which now forms part of the State Non-Ferrous Metals Production Industry ("Gospromtvetmet"). The output of lead-zinc ores for 1924-25 amounted to 22,000 metric tons, or three times as much as the total of 7,400 metric tons produced by these mines in 1923-24.

As the following table shows lead and zinc smeltings for 1924-25 considerably surpassed the corresponding totals for the previous fiscal year:

Lead and Zinc Smeltings in Metric Tons

| | 1923-1924 | 1924-1925 | Percentage Increase |
|-------------|-----------|-----------|------------------------|
| Lead | 642.5 | 968 | 50 |
| Zinc | 516.0 | 1,491 | 190 |
| Total | 1,158.5 | 2,459 | 112 |

The largest increase in smeltings was recorded in the case of the Alagir enterprise, the rise constituting 222 per cent for lead and 190 per cent for zinc.

In order to make sure of ore supplies for the non-ferrous metallurgical industry, extensive surveys of lead and zinc deposits are being undertaken during the current fiscal year 1925-26, namely, at the Saransk-Khodsk, Kholstinsk, and Elbruz deposits in the Northern Caucasus, and in the Zyryanovsk, Nerchinsk and other deposits in the Altai region.

Poultry Raising in the U.S.S.R.

THE general agricultural progress and the increase in the proportion of farm commodities produced for the market are having a favorable effect upon the development of poultry raising by the peasants in the Soviet Union, so that the income from this source already constitutes an appreciable factor in rural economy.

However, poultry raising is still one of the most backward branches of agricultural economy, not only in comparison with its status before the war, but also in relation to the degree of advancement attained by other divisions of farming activity.

During the pre-war year 1913 the Russian railroads transported approximately 349,200 metric tons of poultry products, including 282,800 metric tons of eggs (33,000 carloads), 39,700 metric tons of live fowl, 20,800 metric tons of killed fowl, and 6,000 metric tons of feathers and down. The overwhelming mass of these products was exported, the total shipped abroad increasing steadily from year to year. Thus, for example, the value of the poultry products exported from Russia was 13,100,000 rubles in 1887, 19,000,000 rubles in 1890, 28,300,000 rubles in 1905, and 108,500,000 rubles in 1913.

Poultry products constituted 6.6 per cent of Russia's total exports and were third in value after timber products and grains. Moreover, in 1913 Russia ranked first among all the egg exporting countries of the world, accounting for 44 per cent of the aggregate egg exports.

In 1911 Russia's animal product exports totaled 218,200,000 rubles in value, of which 97,000,000 rubles, or 44.5 per cent, consisted of poultry products; in 1913 the animal product exports amounted to 217,300,000 rubles, of which 108,500,000 rubles, or 49.9 per cent, consisted of poultry products.

On the average, poultry raising forms about 1½ per cent of the basic capital or resources of

peasant economy, the proportion being larger in the case of the poor and moderate farmsteads than in those that are better off.

At the present time, poultry raising by the peasantry, after having declined considerably during the war and blockade period, has recovered to approximately 50 per cent of the pre-war status, and it was estimated toward the end of November, 1925, that poultry product exports for the year 1925 would amount to 35 million gold rubles.

The good harvest of 1925 has influenced the increase of poultry raising to a marked degree. The following table gives the estimated number of chicken and other fowl, together with the forecast egg production and disposition, for the current fiscal year 1925-26 as compared with 1913:

| | Fiscal Year 1925-26 | Pre-War Year 1913 | Per- centage of 1913 |
|-----------------------|---------------------------|-------------------------|----------------------------|
| Number of Chickens.. | 140,000,000 | 215,000,000 | 65.1 |
| Number of Other Fowl | 160,000,000 | 245,000,000 | 65.3 |
| Gross Egg production. | *47,740 | *90,300 | 52.9 |
| Eggs sent to Market.. | *23,547 | *48,810 | 48.3 |
| Proposed Egg Exports | *10,272 | *24,801 | 41.4 |

Notwithstanding their substantial increase over the preceding fiscal year, these figures for 1925-26 must still be considered meager in view of the progress in other branches of agriculture through improved methods and intensification.

The step taken in November of last year to organize a central union of egg and poultry cooperatives for special attention to this phase of agricultural activity, is designed not only to assure the producer a profitable sale of his eggs and poultry, but also to introduce scientific methods of exploiting fowl with due heed to the experience of western Europe and America.

As yet there are but few of these special egg and poultry cooperatives, their number throughout the territory of the Soviet Union amounting to some tens thus far. However, there is no doubt that under the proper guidance their number is bound to increase within a short time and that they will prove a new source of benefit to peasant economy.

*Carloads.

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RUSSIAN REVIEW

is now ready for delivery. It contains 504 pages, including all the issues published in 1925, as well as a comprehensive index. Bound in imitation leather. Price \$5.00.

Postal and Telegraph Service

The total budget of the People's Commissariat for Posts and Telegraphs in the fiscal year 1925-26 amounts to 153,700,000 gold rubles (approximately \$79,155,500), which represents an increase of 66 per cent over the appropriation of 92,000,000 gold rubles for the previous fiscal period 1924-25. Extensive work has been initiated during the current fiscal year for the establishment of new communication enterprises. The construction of a direct 4-wire telephone and telegraph line between Leningrad and Tiflis has been started. The postal service throughout the entire Soviet Union is to be operated exclusively through the budget of the People's Commissariat for Posts and Telegraphs, the local Soviets being completely relieved of the necessity of bearing any expenditures for the maintenance of the postal system.

At the present time the volume of mail handled in the Soviet Union is equivalent to 82 per cent of the pre-war total, while the telegraph traffic amounts to a full 100 per cent. It is expected that the mail handled by the postal service during the current fiscal year 1925-26 will surpass the pre-war volume. A great deal has been done to improve rural mail deliveries. At present the Soviet postal system serves 100,000 rural points throughout the country. During the course of 1925-26 their number will be brought up to 200,000.

During the current fiscal year 80 per cent of the villages in the Northwestern area of the European part of the Soviet Union will have direct mail service by pedestrian letter carriers or wagon deliveries. In collaboration with the "Autopromtorg," a stock company formed by the Commissariats for Transportation and Foreign Trade for the development of motor transport, a number of new postal and passenger automobile lines are being organized in the Northwestern area. New postal air lines, totaling 10,000 kilometers in extent, are also to be organized during 1925-26. Among these will be a Leningrad-Pekin air mail line. In addition, a Moscow-Baku line will be established, and air mail communication will be inaugurated with Afghanistan.

Reduced Postage on Foreign Publications

To facilitate the opportunities for closer cultural contact between the Soviet Union and foreign countries through the exchange of newspapers, periodicals, books, scientific literature and similar material, the People's Commissariat for Posts and Telegraphs, by agreement with certain countries, is introducing special reduced postage rates for the transmission of such mail.

Thus, beginning with the 1st of January, 1926, a reduction of 50 per cent was made in the postal rates for sending papers and periodical publica-

tions from the Soviet Union to Austria, Luxembourg, Portugal, Greece, Latvia, Belgium, Germany, the Saar District, Yugoslavia, France, and Czechoslovakia, the same reduction applying to the transmission of such mail in the opposite direction. This will bring the charge on each 50 grams or less of this kind of printed matter down to 1 kopeck (approximately one-half of a cent). However, this reduced rate will apply only to newspapers and periodicals sent directly by the publishers.

This reduced rate is also to be extended to pamphlets and bound books, containing no advertisements and transmitted from the Soviet Union to any of the above-mentioned countries except Luxembourg, Yugoslavia and Czechoslovakia, and the same privilege is accorded to literary and scientific publications exchanged between scientific institutions in the Soviet Union and similar institutions in all of the aforesaid countries with the exception of Luxembourg, the Saar District, Yugoslavia, and Czechoslovakia.

Radio in the Soviet Union

DATA published by the Radio Division of the People's Commissariat for Posts and Telegraphs, as applying to the commencement (October 1, 1925) of the current fiscal year 1925-26, showed that there were in operation on the territory of the Soviet Union 47 receiving and sending stations, 20 broadcasting stations, and 304 receiving stations, not counting the installations of the military and transport departments, nor several small stations maintained by public organizations.

During the past year the number of combined receiving and sending stations increased by 5, while the receiving stations increased by 18.

Most of the combined receiving and sending stations have a capacity of between 1 and 5 kilowatts, in addition to which there are three stations with a capacity of 5 to 10 kilowatts, one station with a capacity of 10 to 15 kilowatts, one between 15 and 20 kilowatts, two between 20 and 25 kilowatts, and five above 25 kilowatts.

Among the above-mentioned combined sending and receiving stations only ten are operating with undamped waves. The rest of them are spark stations of an antiquated type. At the present time the Commissariat for Posts and Telegraphs is engaged in transforming these spark stations to the undamped wave system of operation, which will offer a minimum of difficulty to the growing circle of radio "fans" in the Soviet Union. The undamped wave stations operate more economically than the spark stations. The People's Commissariat for Posts and Telegraphs is guided by these considerations in making changes in the existing sending and receiving stations. At present the undamped wave system is being employed by the "Comintern" and "October" (Khodynka) stations in Moscow and by a number of other stations, such as those in Dyetskoye Selo, Novo-Nikolayevsk and other cities.

The experiments for short wave radio transmission represent another phase of the endeavor to improve the system of radio stations in the Soviet Union. At the time of writing experimental short wave radio transmission was being

carried on between Moscow and Tashkent in Central Asia.

The plans for the further introduction of radio throughout the Soviet Union provide for the organization of radio communication in Siberia and the Russian Far East. In particular, the installation of a radio system is being completed in the regions of the Obi and Yenisei Rivers to replace the common telegraph lines, which are constantly exposed to the hazard of being broken down by storms.

While the spark sending stations are somewhat behind the times in their equipment, it may be stated that the receiving stations are fitted in accordance with the latest technical achievements.

It is planned to redistribute the receiving stations according to regions and cities in coordination with the division of the Soviet Union into regions that is now in progress.

The number of words transmitted by the radio stations of the Commissariat for Posts and Telegraphs illustrates the increase of radio communication. A total of 6,900,000 words was transmitted during the fiscal year 1922-23; 7,700,000 words in 1923-24; and 9,700,000 words in 1924-25.

The twenty broadcasting stations existing for radiotelephonic purposes are under the management of various departments, societies, local executive committees, trade union organizations, and so forth. The capacity of these stations ranges from 0.25 to 1.2 kilowatts. These stations serve a wide circle of radio amateurs, loudspeaker installations in clubs, factories, etc.

Statistics compiled by the People's Commissariat for Posts and Telegraphs show that there were 24,945 radio amateurs registered in the Soviet Union during the expired year. Unfortunately, the figures do not reveal how this total was distributed among the urban and rural districts. At any rate, a considerable increase in the number of rural radio "fans" may be observed toward the close of 1925, whereas during the first half of the year amateur radio developed almost exclusively in the cities and labor centers. Of course, the

number of registered radio amateurs does not embrace the entire class of radio "fans."

The "Radio Transmission Company" has brought to the attention of the principal government departments the question of intensifying the penetration of radio into the rural regions. This company has already reached an agreement with the Union of Agricultural Cooperatives ("Selskosoyuz"), whereby it undertakes to supply radio receiving sets for peasants at the most favorable terms. In addition to this the Radio Transmission Company has laid before the State Planning Commission of the Ukrainian Soviet Socialist Republic a project for the systematic introduction of radio into the country districts, and the Commission has already decided to install radio equipment in 830 of the Ukraine's rural district centers. From December 1, 1924 to December 1, 1925, the Radio Transmission Company sold 475 loud-speaker receiving sets in the country regions, estimated to serve a total audience of about 60,000 persons. Altogether, this company sold 1,479 loudspeaker sets, calculated to be utilized by an aggregate audience of 242,300 persons.

Radio broadcasting enjoys extensive government support in the Soviet Union. Serious attention is devoted to its development. The newspapers continuously point to this circumstance and encourage the trend in this direction. They are aided in this by the special radio press, which has achieved considerable success in a short time.

The three most popular radio publications are the "Radio Fan," the "Radio News," and "Radio for All." The circulation of these already amounts to 50,000 copies and it is growing steadily.

The principal questions and the lines along which radio broadcasting is to develop are settled by the Radio Council attached to the People's Commissariat for Public Education. All its decisions are put into effect by the joint-stock organization known as the "Radio Transmission Company" ("Radioperedacha"). With the support of the People's Commissariat for Posts and Telegraphs and the Low Current Trust, this company manages all the broadcasting radio stations, supplies the radio industry with orders, sells radio sets and parts, and, in short undertakes all the necessary measures for the development and propagation of radio information among the popular masses. The main office of the Radio Transmission Company is located in Moscow and it has branches in all the important cities of the Soviet Union.

The importation of radio apparatus into the Soviet Union is forbidden. All sending and receiving sets are the product of domestic manufacture. They are turned out by the factories of the Leningrad Low Current Trust and by the Lenin Radio Laboratory in Nizhni-Novgorod.

Broadcasting Stations

Neglecting several small stations, at the present time there are eleven powerful radio broadcasting stations in operation with a developed capacity of not less than 1 kilowatt at the antennae. A list of these stations follows: Moscow—4 stations, namely, the "Comintern" Station with 12 kilowatt capacity and wave length of 1,450 meters, the Popov Station with 1.3 kilowatt capacity and wave length of 1,010 meters, the Moscow District Labor Union Council Station with 2 kilowatt capacity and wave length of 450 meters, and the Radio Transmission Station with 2.5 kilowatt capacity and wave length of 400 meters (these stations operate on Central European time); Leningrad—1 radio station with 2.5 kilowatt capacity and a wave length of 940 meters, broadcasting daily from 6 to 7 p. m.; Kiev—1 radio station of 1.2 kilowatt capacity and a wave length of 900 meters, broadcasting daily at 4:30 p. m.; Kharkov—1 radio station of 1.2 kilowatt capacity with unspecified wave length, experimental; Ivanovo—1 radio station of 1.2 kilowatt capacity and a wave length of 800 meters, relaying the material broadcast by the Moscow District Labor Union Council Station of Moscow; Nizhni-Novgorod—1 radio station of 1.2 kilowatt capacity and a wave length of 860 meters, broadcasting on Sundays, Mondays, Wednesdays and Fridays from 4 p. m. to 5:30 p. m.; Minsk—1 radio station of 1.2 kilowatt capacity and unspecified wave length, experimental; Voronezh—1 radio station of 1.2 kilowatt capacity and a wave length of 1,100 meters, broadcasting daily at 7 p. m.

Attention should be called to the new broadcasting program of the "Comintern" Station of Moscow, which will broadcast information by the Telegraph Agency of the Soviet Union ("Tass") between 9:30 and 10:55 a. m. (Central European time); weather bulletin between 12:45 and 1:10 p. m., material for children and the country districts between 2:30 and 3:30 p. m.; information by the Telegraph Agency of the Soviet Union between 3:30 and 4:20 p. m., lectures between 4:20 and 5:20 p. m.; radio newspaper between 5:20 and 6:05 p. m.; information by the Telegraph Agency of the Soviet Union between 6:05 and 6:55 p. m.; time signals between 6:55 and 7 p. m.; concerts, operas, etc., between 7 and 10:30 p. m.; and information by the Telegraph Agency of the Soviet Union between 10:30 and 11 p. m.

The "Comintern" Station of Moscow is the most powerful now operating in the Soviet Union. It develops a capacity of 12 kilowatt at the antennae and has a wave length of 1,450 meters. A number of new radio stations are at present under construction. By the end of 1926 there will be 47 radio broadcasting stations operating in the country. Of these only the most powerful will be

mentioned here, namely, a 10-kilowatt transmitting station for Leningrad, a 20-kilowatt station for Kharkov, similar ones for Baku and Tiflis, and a 25-kilowatt transmitting station for Moscow to replace the present Comintern Station.

There is very great interest in radio at present in the Soviet Union, but a truly impetuous radio movement may be expected upon the completion of the extensive radio construction program mentioned above. The ideal radio situation may be considered as attained when at any point in the country it is possible to get the broadcasting of the nearest station on the simplest and cheapest form of crystal receiving set. While this condition, in consequence of their smaller areas and larger radio public, has been almost achieved already in some other countries, it will be reached in the Soviet Union only during the course of next year. In any event, the Soviet Union now ranks among the leaders in Europe with respect to the total number of radio stations in operation.

Radio Construction

Radio construction in the Soviet Union is being carried on in accordance with a unified plan of broad scope. The radio public is gradually being enlarged in those localities where radio stations are already in existence and where broadcasting has been inaugurated. Apart from the increase in the number of amateurs, the radio has been introduced in 200 rural localities in each of the Provinces of Moscow and Leningrad. The reading cabins in these places have been supplied with 3 and 4-tube receiving sets equipped with loudspeakers. Similar apparatus has been installed in between 100 and 150 workers' clubs in these cities. Many of them have wire connections with the broadcasting stations in accordance with the so-called "wire-radio" system. During the summer time powerful loudspeakers are also set up in city squares, garrisons, military camps and other places. Lately the radio has begun to be introduced in hospitals and large hotels.

Moscow and Leningrad have special "radio centrals," which are connected with all the large theaters, conservatories and important public buildings utilized for concerts and lectures. This makes it possible to give radio programs of extraordinary variety.

In addition to this, the broadcasting stations of Moscow, Leningrad, Kharkov, Ivanovo, Bogorodsk and Nizhni-Novgorod are inter-connected by wire, so that the offerings of any one of them may be transmitted by the others. It may be remarked that notwithstanding the large intervening distances, as distances go in Europe, (600 kilometers between Moscow and Leningrad, and more than that between Moscow and Kharkov), the relayed broadcasting has yielded splendid results.

Once a week the large Soviet stations relay the broadcastings of the German radio station at

Koenigs-Wusterhausen and the British station at Daventry. The receiving of these stations, as well as the Paris station, the Swedish station at Boden, the Danish station and others, is a common event for Soviet radio "fans" in the Northern and Northwestern regions of the European territory of the Union. It is interesting to note that many instances are known of radio amateurs in the Soviet Union receiving foreign stations on the ordinary crystal sets, strange as this may appear. The "Comintern" Station of Moscow is also heard abroad. Its offerings are being received in England, Germany, Czechoslovakia and the Scandinavian countries, to say nothing of the bordering countries of Poland, Latvia, Esthonia, Finland and others.

Radio Legislation

In conclusion brief mention may be made of radio legislation in the Soviet Union. The regulation of radio development, the issue of permits and the inspection of installations has been delegated to the People's Commissariat for Posts and Telegraphs. Licenses to use radio receiving sets are granted to citizens at any post office upon payment of the established fee. This license tax is the lowest charged in Europe, a circumstance that undoubtedly testifies to the desire of the Soviet Government to encourage the widest possible introduction of radio among the masses. The fee is one ruble (approximately 50 cents) for a crystal receiving set and two rubles for a tube receiving set. Payment may be made in semi-annual installments, and the poorer strata of the population have the privilege of paying only half the regular rate.

Under a new radio law, whose promulgation was expected soon after the present article was written, the wave length restrictions are abolished and the installation of amateur transmitters is permitted.

Every step is being taken to increase the number of radio amateurs. A Society of the Friends of Radio has been formed, exhibitions are being organized, and radio congresses, both local and National, are being arranged. Approximate statistics show that there are at present about one million persons enjoying the use of radio in the Soviet Union. There is no doubt that this total will increase many fold in the immediate future, the ranks of the radio "fans" being swelled by new devotees not only in the cities, but also in the great mass of villages throughout the country.

A few copies of Volume I containing all the issues from September 1923 to June 1924, as well as of Volume II, covering the second part of 1924, are still available. Bound in imitation leather. Price: Volume I—\$4.00, Volume II—\$3.00.

Soviet Union and Disarmament Conference

ON January 13 the Moscow "Pravda" printed the following editorial on the invitation extended to the Soviet Union to participate in the preliminary arrangements for calling a League of Nations disarmament conference:

"As is known, the Soviet Government has received an invitation from the so-called League of Nations to take part in the preparatory work for calling a conference on the limitation and reduction of armaments. Our relations with this League are rather cool, and our faith in its ability or even its desire to check the competition of its members in the sphere of armaments is by no means such as to move mountains. We think that there will be no very great benefit forthcoming from this somewhat belated initiative, which is, incidentally, inspired by the wish to forestall a similar enterprise on the part of Mr. Coolidge, President of the United States. However, it is not for us, who are interested in peace more than any other nation, to neglect even so meager an opportunity to advance this question. Back in 1922, when the triumphant imperialism of the Entente was dead drunk with its successes, we did not hesitate to dash upon the heads of the participants in the Genoa Conference a proposal to undertake the reduction of armaments. The following year we ourselves took the initiative in the solution of this problem by calling together the representatives of neighboring States at Moscow and laying a practical plan before them on this subject. It is not our fault that nothing came of these plans and proposals either then or afterwards. It is likewise not our fault that nothing came of the Conference of Experts on Naval Armaments which was called by the League of Nations at Rome during the same year, 1923, and at which we appeared just the same and again made a number of practical proposals. If we were very sensitive and resentful we might reply with a sharp rebuff to the invitation that has just come to hand. But we shall, nevertheless, not do this, and, to the discomfiture of all those who speculate upon the possibility of a refusal on our part, which would furnish them with a new pretext for an outcry about Soviet militarism and imperialism, we shall, undoubtedly, send our representatives to the conference that is being summoned, if—

It turns out that there is a little and far from amiable trick in the invitation kindly sent to us by the Geneva charmer. She gives us a "rendezvous" at her home, in that very Geneva where, as she knows, we have sworn never to set foot so long as the Swiss hostess does not render us satisfaction for the bloody episode enacted on Swiss territory in the year 1923. We have in mind, of

course, the murder of Vorovsky, our official delegate to the Lausanne Conference. In inviting us to Geneva does the League think we have forgotten the boycott we then declared against the country whose Government allowed such a dastardly murder and did not even go to the trouble of making a formal apology for it? Or does the League do it purposely, knowing that we will refuse, and counting upon utilizing our refusal to discredit us in the eyes of the advocates of disarmament? We declare in the most categorical manner that we have not forgotten the crime perpetrated against us on Swiss territory with the connivance of the Swiss authorities, and we likewise will not tolerate the mendacious charges premeditated against us in the event of our refusal. True, the Swiss Government assures us that our delegate will enjoy in Geneva the same protection and inviolability as the delegates of other nations; but, indeed, was not Vorovsky, after having received the Swiss diplomatic visa on his diplomatic passport, bound to enjoy protection and inviolability the same as the other delegates, and did this in fact prevent his murder and even the acquittal of the murderer by a Swiss court? The Swiss Government further states semi-officially that in reality it has already given us satisfaction in that immediately after the perpetration of the crime it sent an official to the widow of the murdered man with an expression of condolence. But is this really the way that governments express their regrets for the murder of foreign diplomats on their territories, and did not the subsequent acquittal of the murderer altogether wipe out even this insignificant act of civility?

For us, the spokesmen of Revolutionary Russia, it was not so easy to endure such an atrocious offense on the part of the Government of a country, where a number of our revolutionary generations had found a refuge from the political persecutions of the Tsarist system. Still more difficult was it for us to decide upon reprisals against Switzerland. Could we, indeed, forget that our best people—yea, and not ours alone—lived and worked on Swiss territory, preparing for the better future which has now become the present? But for the sake of our national honor, in the interest of the struggle for our new government, menaced on all sides, we could not but make reply to so bold a challenge to our existence, and we replied to the Swiss Government by a measure, which, though not a matter of indifference to ourselves, was still more painful to it. We know that Swiss industrial and commercial spheres, to say nothing of the workers, now clearly realize all the immense harm that is resulting to them from our boycott. We ourselves would find no small profit

in the resumption of normal political and economic relations with a country of such cultural and economic development as Switzerland. But we know what we owe to our self-respect, too, and we will not revoke the boycott, which prevents us even from going to Geneva to participate in so important a matter as the deliberation of the question of reducing armaments, until the Swiss Government recedes from its exaggerated and radically false notion of what is due the sovereignty of its own country and gives us the minimum of satisfaction which is due the sovereignty of our nation. We have never yet humiliated anybody, and least of all would we desire to humble the Swiss people and their Government; but in our own interests, as well as in the interests of the peaceful development of Europe, we should and we have the right to receive what is owing to us. If the spokesmen of the League, if certain governments are really interested in having a great country like ours participate in the elaboration of the problem of disarmament, they should explain to the Swiss Government that it is impossible to permit the murder of a foreign representative to go unpunished and that the liquidation of the conflict arising out of this crime is in the interests of the Swiss Government itself. As for our Union, it can wait, as it has waited up to the present."

Changes in the Administration of the Soviet Union

DURING the month of January the Central Executive Committee of the Soviet Union decided:

To relieve Mr. L. B. Kamenev of his duties as Chairman of the Council of Labor and Defense. In accordance with Article 2 of the resolution on the Council of Labor and Defense of the Soviet Union, to institute the practice of having the Chairman of the Council of People's Commissars of the Soviet Union hold the position of Chairman of the Council of Labor and Defense of the Soviet Union.

To relieve Mr. G. Y. Sokolnikov of his duties as People's Commissar for Finances of the Soviet Union.

To appoint Mr. N. P. Briukhanov Temporary Head of the People's Commissariat for Finances of the Soviet Union.

To confirm Mr. A. L. Sheinman as Acting People's Commissar for Finances of the Soviet Union.

To relieve Mr. A. D. Tsiurupa of his duties as People's Commissar for Commerce of the Soviet Union, retaining him in his position as Acting Chairman of the Council of People's Commissars of the Soviet Union.

To name Mr. L. B. Kamenev People's Commissar for Commerce of the Soviet Union.

To relieve Mr. L. B. Kamenev of his duties as Acting Chairman of the Council of People's Commissars of the Soviet Union.

To designate Messrs. J. E. Rudzutak and V. V. Kuybyshev Acting Chairmen of the Council of People's Commissars of the Soviet Union, retaining the former in his post as People's Commissar for Transports and the latter in his post as People's Commissar for Workers and Peasants Inspection of the Soviet Union.

To relieve Mr. A. L. Sheinman of his duties as Acting People's Commissar for Commerce of the Soviet Union.

To confirm Mr. M. I. Frumkin as Acting People's Commissar for Commerce of the Soviet Union.

During the same month the Council of People's Commissars of the Soviet Union decided:

To name Messrs. J. E. Rudzutak, A. D. Tsiurupa, and V. V. Kuybyshev Acting Chairmen of the Council of Labor and Defense.

To name Mr. I. I. Khloplyankin a Member of the Collegium of the People's Commissariat for Commerce of the Soviet Union.

To name Mr. G. Y. Sokolnikov Acting Chairman of the State Planning Commission of the Soviet Union.

To relieve Mr. N. G. Tumanov of his duties as Chairman of the Board of Directors of the State Bank of the Soviet Union.

To name Mr. A. L. Sheinman Chairman of the Board of Directors of the State Bank of the Soviet Union.

P A M P H L E T S

Published by the

RUSSIAN INFORMATION BUREAU:

1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
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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

Cultural Life in the Soviet Union

Soviet Cultural Connections with Foreign Countries

THE Society for Cultural Relations with Foreign Countries is a public organization and includes among its members the most important scientific research institutions in the Soviet Union, the higher educational establishments in the country, administrative departments interested in cultural activities, and individual scientists and cultural workers. The Society has its own authorized representatives in twenty-two countries throughout the world.

Beginning with the year 1924 leading intellectual groups abroad interested in the cultural life of the Soviet Union began the organization of "Societies for Rapprochement with the Soviet Union." Such bodies, with which the All-Union Society for Cultural Relations with foreign Countries is heartily cooperating are already in existence in 12 countries, namely, in Germany, England, France, Czechoslovakia, Austria, Italy, Sweden, Denmark, Belgium, Switzerland, Argentina, and Japan. Their activities consist in the arrangement of lectures and reports on Soviet culture (delivered either by Soviet savants, by Society members who have visited the Soviet Union, or by other persons acquainted with the scientific and cultural life of the Soviet Union), in the organization of Russian musical and literary evenings, in rendering assistance to persons coming from the Soviet Union who are engaged in scientific and cultural activities, and in supplying general information about the Soviet Union. Several of these Rapprochement Societies publish their own magazines, some of which have succeeded in winning extensive popularity. Thus, "Das Neue Russland" is published in Germany with a monthly circulation of 3,000 copies; "Nove Russko" in Czechoslovakia; "La Nouvelle Economie Politique" in Belgium, and "Revista de Oriente" in Argentina. The Society in England issues a special journal in which Russian savants give an account of works which they have completed but which cannot be printed in the Soviet Union at present on account of the difficult conditions in the publishing industry.

Exchange of Books

A second phase of the work done by the All-Union Society for Cultural Relations with Foreign Countries is the organization of the exchange of general and scientific books with foreign bodies. During its existence the Society has exchanged about 100,000 books. It has book exchange connections with 600 foreign correspondents in 48 countries. The Society's book exchange correspondents throughout the Soviet Union number more than 400. Recently the Society concluded with the Book Chambers of the various republics

forming part of the Soviet Union an agreement whereby it undertakes to effect a general exchange of books between the most important Soviet libraries and foreign institutions.

Publications of the Society

The Society publishes a weekly bulletin chronicling the cultural life of the Soviet Union in four languages (Russian, English, German, and French). This bulletin is sent to the most important foreign newspapers and magazines, scientific organizations and persons prominent in political and public life abroad.

A short time ago the Society published a Travelers Guide-Book for the Soviet Union (of the Baedeker type) in English and German, and it is preparing a second enlarged edition of this guide-book for the press. It is also preparing for the press a special guide-book covering the scientific institutions of the Soviet Union. The Society is likewise the Soviet Union representative of the International Scientific Directory "Minerva," published in Germany.

At present the Society is about to begin the publication of a magazine which will be devoted to informing the Soviet Union about cultural life abroad. It will be the aim of this periodical to restore for cultural workers in the Soviet Union the connections with foreign countries which were broken by the war and the Revolution.

It should be noted, furthermore, that the Society for Cultural Relations, in collaboration with the scientific and artistic institutions of the Soviet Union, takes part in the organization of Soviet sections at international art exhibitions and in the arrangement of trips, exchanges of professors and students, and similar activities.

Foreign Visitors to the Soviet Union

The Bureau for the Reception of Foreigners, connected with the Society for Cultural Relations with Foreign Countries, registered 1,664 visits by foreigners during the past year. The most largely represented nationalities were the German and the American with 122 and 113 visitors respectively.

Among the foreigners calling at the Bureau 109 were scientists, 79 artists, 67 official representatives of foreign governments, 61 persons active in public and political life, 109 newspaper men, 17 teachers, 53 industrialists, 33 students, 40 workers and clerks and 7 persons in military life.

Among the various foreign delegations visiting the Society for Cultural Relations may be mentioned the German Trade Delegation, the Excursion of English Students and Workers, the Delegation of the Kuomintang Party (China), the Chinese Military Delegations, the Lithuanian Trade Delegation, the Finnish Trade Delegation, and others.

Mathematics and Astronomy in the Union of Soviet Republics

SCIENTIFIC activity in the sphere of mathematics and astronomy, which was suspended during the period of war and revolution, is again showing steady progress from year to year.

The mathematical organizations in Moscow are doing particularly successful work in the field of mathematical biology and the modern theory of functions.

An International Commission attached to the Moscow Research Institute for Mathematics and Mechanics is engaged in publishing the works of N. I. Lobatchevsky, the famous Russian mathematician of the early decades of the nineteenth century.

In Kharkov problems of statistical mathematics and their application to biology are being worked out under the guidance of Professor Bernstein.

In Kiev Professor Krylov is investigating contracted methods of solving mathematical problems.

A special bureau has been formed in Leningrad to calculate the position of the stars.

The organization of a service for communicating the correct time by wireless is under way.

The installation of a large imported spectrograph for solar study has led to a great increase in the activities of the Pulkovo Observatory.

The Astronomical Institute in Leningrad has invented a new method of calculating the orbits of planetoids.

The Astrophysical Department of the Lesgaft Institute in Leningrad is investigating variable stars and their colors.

The Astronomical Observatory in Moscow is undertaking extensive astro-photographic work, particularly with respect to the photographing of planetoids.

The work of the astronomers in the Soviet Union is being linked up more and more with industrial needs. A great deal of attention is being devoted to investigations in connection with the magnetic anomaly in Kursk Province, which may have tremendous industrial significance.

Moscow Biological Museum

THE organizational form of the Timiriazev Biological Museum in Moscow is entirely different from that of all museums hitherto in existence.

Irrespective of the generally accepted classification system, the material is arranged in accordance with the main task of the Museum, which is to shed light on the principal ideas and problems of biology.

Natural objects are exhibited in the central section of the Museum, illustrating the evolution

of the organic world. All the remaining material is presented in such a way as to prove the theory of evolution at a glance. Wherever possible, the Museum replaces tables, diagrams and preserved specimens of natural objects by live specimens. Thanks to this method, it illustrates most clearly one of the basic principles of modern biological science—the correlation of the organism and the environment.

The Museum does not limit its activities to communicating elementary truths, but introduces its visitors into the sphere of the questions at present under dispute in biology.

The Museum not only acquaints visitors with facts but also with methods of work. The dynamics of attainment in biological research are illustrated and pictures of experimental work in various fields are given.

The Museum endeavors to make all exhibited material fully accessible to all visitors. The exhibits are therefore provided with inscriptions explaining their origin, structure, and place in the general plan of the Museum.

At the present time several provincial museums are starting to re-arrange their exhibits in accordance with the plan of the Moscow Biological Museum.

Educational Activity among Crimean Tartars

Considerable progress in educational matters since the establishment of Soviet rule was reported at a recent meeting of educational workers in the Crimea. Before the Revolution there were only sixty elementary Tartar schools; now there are 450. Another indication of progress is the fact that girls now constitute nearly 50 per cent of the pupils in the elementary schools, whereas they formed less than 20 per cent before the Revolution.

Courses have been organized for training Tartar teachers. Many new technical schools have also been established. About 31 per cent of all the students in the agricultural schools of the Crimea are Tartars.

The publication of Tartar literature has been started. A series of text-books has been published in the Tartar language, and a series of books for Tartar peasants is under contemplation.

Motion Pictures for the Villages

Under plans formulated by the Arts Council for Motion Pictures it is proposed to install 16,000 moving picture outfits throughout the rural districts of the Russian Socialist Federated Soviet Republic (i. e., Soviet Russia proper) during the course of the next five years.

Experts have been sent to Germany to study all the possibilities for purchases of such apparatus abroad.

Miscellaneous News

Central Committee and Executive Organs of the All-Union Communist Party

The following is an alphabetical list of the sixty-three members elected to the Central Committee of the Communist Party of the Soviet Union toward the end of 1925 at the Fourteenth Party Congress in Moscow:

Andreyev, Antipov, Artiukhina, Badayev, Bauman, Bubnov, Bukharin, Chubar, Chudov, Dogadov, Dzerzhinsky, Evdokimov, Kabanov, Kaganovich, Kalinin, Kamenev, Kirkizh, Kirov, Kolotilov, Komarov, St. Kossior, Kotov, Krassin, Krzhizhanovsky, Kubyak, Kulikov, Kvirring, Lepse, Lobov, Manuilsky, Medvedev, Mikhailov, Mikoyan, Molotov, Ordzhonikidze, Petrovsky, Pyatakov, A. Radchenko, Rakovsky, Rudzutak, Rukhimovich, I. P. Romyantsev, Rykov, V. Schmidt, Schwartz, Schwernick, Smilga, A. P. Smirnov, Sokolnikov, Stalin, Stepanov-Skvortsov, Sulimov, Tchitcherin, Tolokontsev, Tomsky, Trotsky, Tsiurupa, Uglanov, Ukhanov, Voroshilov, Zelensky, Zhukov, Zinoviev.

The first plenary session of the Central Control Commission of the Communist Party of the Soviet Union convened immediately after the Fourteenth Party Congress, confirmed the following list of members and substitute members to constitute its Presidium:

Members: Vladimírsky, Gussev, Ilyin, Kokovikhin, Komissarov, G. Korostelev, Korotkov, Kossarev, Krivov, Kuybyshev, Lebed, Lengnik, Lissitsyn, Nazaretyan, Pastukhov, Roizenman, Soltz, Chutskayev, Shkiryatov, Yanson, Yaroslavsky; Chairman Kuybyshev.

On January 1, 1926, the Central Committee of the Communist Party of the Soviet Union, elected at the Fourteenth Party Congress, convened in plenary session together with the members of the Presidium of the Central Control Commission and the members of the Central Auditing Commission.

This plenary session elected the following executive organs of the Central Committee:

Members of the Political Bureau: Bukharin, Voroshilov, Zinoviev, Kalinin, Molotov, Rykov, Stalin, Tomsky, and Trotsky.

Alternate members of the Political Bureau: Rudzutak, Dzerzhinsky, Petrovsky, Uglanov, and Kamenev.

Secretaries of the Central Committee: Stalin, Molotov, Uglanov, S. V. Kossior, and Evdokimov.

Mr. Stalin was confirmed as General Secretary of the Central Committee of the Communist Party of the Soviet Union.

Organizational Bureau: Stalin, Molotov, Uglanov, S. V. Kossior, Evdokimov, Bubnov, Artiukhina,

khina, Andreyev, Dogadov, A. P. Smirnov, and Kvirring.

The plenary session confirmed Mr. Bukharin as Editor and Mr. Manuilsky as Acting Editor of "Pravda," the central press organ of the party.

Membership of Russian Communist Party

On January 1, 1925, the ranks of the Russian Communist Party, now renamed All-Union Communist Party, included 401,481 members and 339,636 applicants on probation, making a total of 741,117 Communists.

The latest available data show that the numerical strength of the Russian Communist Party on January 1, 1926, was 1,078,000, including 121,000 women. This total was made up of 633,000 full-fledged members and 445,000 applicants on probation.

The following figures illustrate the growth of the number of women in the Party. On January 1, 1924, the full and probationary female membership amounted to 38,501. On January 1, 1925, it was 76,494 and by November 1 of the same year it had risen to 120,968, showing an increase of approximately 59 per cent for the ten months in question.

Purchase of Silkworm Eggs in Transcaucasia

The production of silkworm eggs (graine) began to develop in Transcaucasia in 1910. During war times this industry declined to a very low level, and its rehabilitation commenced only in recent years.

Thus, the purchases of silkworm eggs in Transcaucasia amounted to 5,000 boxes in 1921; 6,120 boxes in 1922; 10,200 boxes in 1923; 20,850 boxes in 1924; and 57,000 boxes in 1925.

This increase in the domestic supply has naturally led to a diminution of silkworm egg imports. While the imports totaled 155,700 boxes in 1924, they fell to 120,000 boxes in 1925.

In Georgia at the present time there are two Government stations, one at Tiflis and the other at Kutais, in addition to some fifteen private and community plants engaged in the production of silkworm eggs.

In Armenia the Erivan Sericulture Station and a group of silkworm egg producers in the Mergin region are engaged in the collection of "graine."

In the interest of the further development of the silkworm egg industry the Government of the Transcaucasian Soviet Federation has decided to render assistance to all persons, organizations and institutions desirous of engaging in the business. A number of privileges was granted to foreign "graine" producers who declared their intention to go to Transcaucasia to organize "graine" establishments.

German Colonists in Azerbaijan

German immigrants have settled in the following seven colonies in the district of Ganja (formerly Elizavetpol) in Azerbaijan: Helenendorf, Georgievsk, Ahnenfeld, Grunfeld, Traubengfeld, Alexeyevka, and Engelfeld. These settlements embrace a total population of 10,000 colonists. The German colonists have no more land than the standard allowed by law. They do not engage in labor away from their homesteads, nor in any form of home-craft ("kustar") work, but live exclusively by farming. However, in comparison with the Russian hut and even more so with that of the Armenian or Tatar peasant, the cottage of the German colonist, with its porch, piano, multiplicity of rooms, mirrors and upholstered furniture, conveys the impression of a seignorial dwelling.

The German colonists produce only highly remunerative crops. In this case their choice has fallen upon grape growing. The vineyard area in Azerbaijan covers a total of 70,000 acres, of which the German colonists hold more than 27,000 acres.

The "Concordia" Cooperative Union which they have organized competes successfully, not only with all the wine-manufacturing enterprises in Azerbaijan, but also with all throughout the Soviet Union. It suffices to mention that this cooperative union of the seven agricultural German colonies has branch offices in Moscow, Leningrad, Rostov, Baku, Tiflis, and Novo-Nikolayevsk. Through this system of branches the German colonists in Azerbaijan place close to 5,000,000 gallons of wine and other liquors on the market each year.

Apart from the alcohol rectifying and liquor distilling plant belonging to the cooperative, each German colonist has a small alcohol rectifying installation on his own homestead. Up to 70 per cent of the entire wine crop is treated by the German colonists themselves in these domestic wine-making outfits, the crude product being then transferred to central warehouses for further handling. The neighboring native peasants have great respect for the colonists and are glad to learn improved agricultural methods from them.

Number of Tatars in the Soviet Union

The number of Tatars living in the Soviet Union is over 4,000,000. The majority of the Tatar population, up to 2,955,000 persons, is found in the Russian Socialist Federated Soviet Republic (Soviet Russia proper). The rest are located mainly in Azerbaijan and the other Republics of the Transcaucasian Federation.

The following table gives the distribution of the Tatar population among the different regions of the U. S. S. R.:

| | Tatar Population |
|---|------------------|
| Tatar Autonomous S.S.R..... | 1,306,200 |
| Crimean Autonomous S.S.R..... | 185,000 |
| Other European Divisions of R.S.F.S.R... | 1,066,800 |
| Total for European Divisions of R.S.F.S.R. | 2,558,000 |
| Asiatic Divisions of R.S.F.S.R..... | 397,000 |
| Total for All of R.S.F.S.R..... | 2,955,000 |
| Transcaucasian Soviet Socialist Federation | 1,270,000 |
| Grand Total | 4,225,000 |

Coinage of Gold Disks

In the near future the Soviet mint will begin the coinage of gold disks in weights of 5, 10, and 50 grams. These disks will have the Soviet Union's coat of arms on the face, while the reverse side will bear the fineness of the gold, the weight of the disk, and the initials of the master of the mint.

The public will utilize these gold disks for various purposes, such as for the preparation of gold caps for the teeth, for ornaments, etc.

The gold disks will be quoted on the stock exchanges simultaneously with pure gold ingots.

Persian Coinage Order to Soviet Union

The Soviet Government has signed a contract for the coinage of silver money in the amount of 3,000,000 tomans. The work will be done at the Leningrad mint in a design furnished by Persia.

Population of Moscow and Leningrad

Census reports placed the population of Moscow in 1912 at 1,617,700, in 1917 at 2,017,173, in 1920 at 1,027,336, and in 1923 at 1,542,874. On January 1, 1925, the population of Moscow was calculated at 1,811,000 and on January 1, 1926, at 1,900,000.

During the year 1925 the population of Leningrad increased by 144,000, the total number of inhabitants in the city amounting to 1,420,000 on January 1, 1926. It was 1,905,000 in 1910, 2,347,851 in 1915, 1,468,845 in 1918, 722,229 in 1920 and 1,071,103 in 1923.

New Soviet Trade Delegate to Italy

On January 4, 1926 the Council of People's Commissars of the Soviet Union decided to appoint Mr. Dmitry I. Golenishchev-Kutuzov Trade Delegate to Italy in place of Mr. Pavel A. Yuzbashev.

Settlement of Armenian Refugees in the U.S.S.R.

Four thousand Armenian refugees from Greek and Turkish ports have been settled in Soviet Armenia in the last few months, and 10,000 more are to be settled during the present year.

The Soviet authorities in Erivan state that the Near East Relief organization of the United States is greatly assisting in the process of establishing the refugees and is caring for 16,500 children in Soviet Armenia. The relief organization has been maintaining three dining rooms accommodating 4,000 children, and an orphan asylum.

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The Kuzbas Industrial Colony

Tatar Territories in the Soviet Union

Land, Sea and Air Transportation

Prisons and Reformatories in the Soviet Union

Cooperatives in the Soviet Union

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Soviet Economic Situation in Figures

THE following statistical tables, taken from the November-December issue (No. 11-12) 1925 of the "Economic Bulletin" published by the Conjunction Institute (i. e., institute of economic conditions), indicate the economic situation of the Soviet Union during the elapsed fiscal year 1924-25 and the changes as compared with preceding fiscal periods:

Output of Soviet State Industry According to the Data of the Central Statistical Department of the Supreme Economic Council

| | 1913 | 1922-23 | 1923-24 | 1924-25 |
|---|-------|---------------|---------------|---------------|
| Total Value of State Industrial Output, at Pre-war Prices in Gold Rubles..... | ----- | 1,207,200,000 | 1,553,300,000 | 2,537,400,000 |
| Average Value of Output per Worker per Day, at Pre-war Prices in Gold Rubles..... | ----- | 4.16 | 4.74 | 6.53 |

Output of Various Industrial Branches in Natural Units

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Coal, in Metric Tons..... | 27,204,000 | 11,918,000 | 15,779,000 | 16,057,000 |
| Percentage Ratio..... | 100 | 43.8 | 58.0 | 59.0 |
| Petroleum, in Metric Tons..... | 8,808,000 | 5,177,000 | 5,942,000 | 6,945,000 |
| Percentage Ratio..... | 100 | 58.0 | 67.5 | 78.8 |
| Pig-Iron, in Metric Tons..... | 4,206,000 | 300,000 | 660,600 | 1,303,600 |
| Percentage Ratio..... | 100 | 7.1 | 15.7 | 31.0 |
| Martin Steel, in Metric Tons..... | 4,246,800 | 615,000 | 992,700 | 1,864,800 |
| Percentage Ratio..... | 100 | 14.5 | 23.4 | 43.9 |
| Rolled Iron, in Metric Tons..... | 3,508,800 | 473,500 | 690,000 | 1,334,900 |
| Percentage Ratio..... | 100 | 13.5 | 19.7 | 38.0 |
| Cotton Yarn, in Metric Tons..... | 262,000 | 74,000 | 102,000 | 186,000 |
| Percentage Ratio..... | 100 | 28.4 | 38.9 | 71.0 |
| Cotton Fabrics, in Meters..... | No data | 581,400,000 | 835,500,000 | 1,490,300,000 |
| Percentage Ratio..... | ----- | ----- | ----- | ----- |
| Woolen Yarn, in Metric Tons..... | 39,360 | 14,520 | 19,320 | 27,600 |
| Percentage Ratio..... | 100 | 36.9 | 49.1 | 70.1 |
| Woolen Fabrics, in Meters..... | No data | 21,600,000 | 28,800,000 | 49,200,000 |
| Percentage Ratio..... | ----- | ----- | ----- | ----- |
| Linen Yarn, in Metric Tons..... | 34,200 | 33,960 | 39,000 | 50,040 |
| Percentage Ratio..... | 100 | 99.3 | 114.0 | 146.3 |
| Linen Fabrics, in Square Meters..... | No data | 93,600,000 | 114,000,000 | 144,000,000 |
| Percentage Ratio..... | ----- | ----- | ----- | ----- |
| Leather, in Hide Units..... | 8,436,000 | 5,814,000 | 6,120,000 | 8,124,000 |
| Percentage Ratio..... | 100 | 68.9 | 72.5 | 96.3 |
| Shoes, number of Pairs..... | ----- | 3,720,000 | 4,056,000 | 5,952,000 |
| Percentage Ratio..... | ----- | ----- | ----- | ----- |
| Tobacco and Cigarettes, number of Smoking Units..... | 46,290,000,000 | 14,076,000,000 | 13,980,000,000 | 25,584,000,000 |
| Percentage Ratio..... | 100 | 30.0 | 29.8 | 54.5 |

Among the industries not mentioned in the preceding table considerable progress, as compared with 1923-24, was achieved in 1924-25 by the following branches: Iron Ore—2,097,700 metric tons in 1924-25, as against 913,800 metric tons in 1923-24, an increase of 129.6 per cent; cement—662,600 metric tons in 1924-25, as against 354,200 metric tons in 1923-24, an increase of 87.1 per cent; acids—164,800 metric tons in 1924-25, as against 133,000 metric tons in 1923-24, an increase of 24 per cent; sodium carbonate—98,400 metric tons in 1924-25, as against 78,200

metric tons in 1923-24, an increase of 26 per cent; rubber shoes—15,727,000 pair in 1924-25, as against 6,178,000 pair in 1923-24, an increase of 154.7 per cent; makhorka (cheap tobacco)—28,900 metric tons in 1924-25, as against 21,200 tons in 1923-24, an increase of 36.2 per cent.

The growth of State industrial production—taking as a basis the prices of 1913—is shown by the following figures presenting the comparative output since 1921-22, the figure for that year having been set at 100: 1921-22—100; 1922-23—146; 1923-24—190; 1924-25—308.

The price index figures of the Soviet Union during the past three fiscal years are shown in the following table. The figures given are the average of the index quotations for the first of each month throughout the year in question and are calculated by taking the 1913 price average as 100.

| <i>Price Indices</i> | | | |
|---|---------|---------|---------|
| | 1922-23 | 1923-24 | 1924-25 |
| National Retail Price Index (compiled by Conjuncture Institute) | 189 | 198 | 212 |
| National Wholesale Price Index (compiled by State Planning Commission—"Gosplan") | 122 | 170 | 179 |
| National Cost of Living Index (compiled by Central Bureau of Labor Statistics and State Planning Commission) | 146 | 196 | 202 |
| National Price Index of Industrial Commodities (compiled by Conjuncture Institute) | 195 | 248 | 230 |
| National Price Index of Agricultural Commodities (compiled by Conjuncture Institute) | 97 | 155 | 194 |
| Ratio of Industrial Commodity Index to Agricultural Commodity Index, taking the latter as 100 (compiled by Conjuncture Institute) | 201 | 160 | 118 |
| Ratio of Industrial Commodity Index to Agricultural Commodity Index, taking the latter as 100 (compiled by State Planning Commission) | 191 | 160 | 115 |
| Moscow Retail Price Index (compiled by Conjuncture Institute) | 151 | 210 | 222 |

The following table shows the total business transacted during the past two fiscal years by the Moscow and Provincial Produce Exchanges, by 150 producing combinations and 11 syndicates connected with the Supreme Council of National Economy:

| <i>Domestic Trade Turnover of the Soviet Union</i> | | | |
|--|-------------------------|-------------------------|---------------------------------|
| | 1923-24 | 1924-25 | Percent- |
| | Millions of Gold Rubles | Millions of Gold Rubles | age Ratio of 1924-25 to 1923-24 |
| Total Turnover of Moscow Produce Exchange | 1,554.8 | 2,991.5 | 192.4 |
| Total Turnover of 70 Provincial Produce Exchanges | 1,462.7 | 3,402.2 | 232.6 |
| Total Transactions (including commission sales) of 150 Producing Combinations and 11 Syndicates under the control of the Supreme Council of National Economy | 1,712.4 | 2,512.7 | 146.8 |
| Including: | | | |
| For the 11 Syndicates | 389.3 | 797.0 | 204.9 |
| For the 150 Producing Combinations | 1,323.1 | 1,715.7 | 129.7 |

Changes in Industrial Labor Employment

The following table showing the total labor force employed by various branches of Soviet State industry during the fiscal year 1924-25, as compared with 1923-24, is based upon statistics compiled by the Central Statistical Department of the Supreme Council of National Economy.

| <i>Labor Force Employed in Soviet Industries</i> | | | |
|--|-----------------------------|-----------------------------|---------------------------------------|
| Industrial Branch | Workers Employed in 1923-24 | Workers Employed in 1924-25 | Per Cent Increase (+) or Decrease (-) |
| Fuel | 226,362 | 186,242 | -21.5 |
| Including: | | | |
| Coal | 181,065 | 141,906 | -27.6 |
| Petroleum | 39,202 | 38,113 | -2.9 |
| Petroleum Refining | | 6,228 | |
| Ores | 16,917 | 25,356 | +49.9 |
| Salt | 5,930 | 6,257 | +5.5 |
| Silicates | 48,948 | 71,308 | +45.8 |
| Including: | | | |
| Cement | 8,715 | 8,715 | |
| Glass | | 37,670 | |
| Crockery and China | | 17,619 | |
| Metals | 288,348 | 358,288 | +24.3 |
| Electrical | 16,542 | 21,915 | +32.4 |
| Electric Power Stations | 6,786 | 5,643 | -20.2 |
| Textiles | 381,605 | 515,283 | +35.3 |
| Including: | | | |
| Cottons | 251,791 | 367,165 | +45.8 |
| Woolens | 55,139 | 61,302 | +9.3 |
| Linens | 61,178 | 71,840 | +17.4 |
| Apparel and Toilet Articles | 15,890* | 25,604 | |
| Leather | 28,701 | 32,706 | +13.9 |
| Chemicals | 43,628 | 58,967 | +35.1 |
| Including: | | | |
| Heavy Chemicals | 12,409 | 12,674 | +2.1 |
| Rubber | 9,723 | 15,233 | +56.6 |
| Match | 11,033 | 13,403 | +21.4 |
| Fats, Perfumes and Cosmetics | | 7,223 | |
| Foodstuffs | 34,127 | 56,764 | +66.3 |
| Including: | | | |
| Tobacco | 13,628 | 15,538 | +14.3 |
| "Makhorka" (cheap tobacco) | 4,031 | 3,880 | +3.9 |
| Vegetable Oil | 5,894 | 6,285 | +6.6 |
| Woodworking | 42,368 | 44,513 | +5.0 |
| Including: | | | |
| Sawmills | | 33,113 | |
| Printing and Allied Trades | | 27,596 | |
| Paper | 24,069 | 27,363 | +13.7 |
| Other Industries | 23,041 | 29,125 | +26.4 |
| Total for Steadily Operating Industrial Branches | 1,203,252 | 1,492,930 | +24.0 |

The smaller number of workers employed in the fuel industries during 1924-25 as compared with 1923-24 is due to the extensive consolidation and introduction of machine methods in these branches during the past fiscal year. This process is still under way at present.

*Figure refers only to needle trades.

Coal Resources of Western Siberia

ONE of the two principal coal fields in Western Siberia is Kuznets Basin, which may be divided into seven major districts. The Anzhersk-Sujensk group of coal-beds occupying the district containing the operating Anzhersk and Sujensk mines, has an area of nearly 100 square miles. The group of mines located along the right bank of the Tom River, which includes all of the prospected and registered sectors of the former Boroslov and Verkhne-Iset companies, with the exception of the Kemerovo deposits, embraces an area of approximately 1,000 square miles.

The Kemerovo group of beds includes the Kemerovo mine and all the deposits lying within a 13-mile zone along the Kemerovo branch of the Kolchugino Railroad. At this point work has been three-fourths completed on the construction of coking ovens with a capacity of 165,000 metric tons of coke. A chemical plant for the production of coal-tar derivatives is attached to these coke ovens. The Kolchugino group of coal deposits covers over 2,600 square miles and includes the Kolchugino and Shestakovo mines, the prospected Plotnikova and Belovo-Babonakov sectors, and the Drachenikha and other deposits.

The Prokopyev-Kisselev group contains the working Prokopyevsk and Kisselev mines, the Alfoninsk, Akchurlinsk, and other deposits; it possesses exceedingly large reserves of coal (nine to ten layers), the veins ranging from 28 feet to 84 feet in thickness. In this district there are sectors which are even adapted to surface mining operations. The total area of this group is about 450 square miles.

The group of coal-beds connected with the metallurgical plant embraces the Bungur, Aralichevsk, Berezovka, and Ossinovsk-Vorobyev deposits. The last-mentioned deposit has been surveyed in detail and it has been shown to contain no less than ten strata of excellent coking coal, the veins being of average thickness. The total area of this group is approximately 1,650 square miles.

Finally, there is the group of deposits along both banks of the Tom River with an aggregate area of some 900 square miles. The Erunakovsk deposit in this group is one of the richest coal fields and one of the easiest and most advantageous for exploitation.

Each one of these seven groups in Kuznets Basin includes at least three deposits that have shown favorable prospecting indications and that have begun to be exploited in part. Furthermore, every one of the seven is large enough to allow the annual coal output in each group to be brought up to between 1,600,000 and 2,500,000 metric tons within a five-year period.

The second principal coal basin in Western

Siberia is that of Minusinsk, which includes deposits of high quality coal situated in veins that are not far beneath the surface. The Chernogorsk mines have coal veins ranging from 5 to 30 feet in thickness. Mining operations here are being conducted along a rich vein. There are two shafts at work and two more have been sunk. On the right bank of the Abakan River twenty coal strata have been revealed in the Issyk mines, thirteen of these strata ranging from two and one-half feet to several tens of feet in thickness. In this region there is also quite a number of iron ore deposits, which, in conjunction with the coal fields, offer an opportunity for the establishment of a combined metallurgical and coal enterprise. Then there are the Kalyaginsk mines, where two coal-bearing strata have thus far been revealed, the upper one being somewhat over four feet thick, while the lower one is over 32 feet thick.

In addition to the two above-mentioned coal basins the Kirghiz Area of Western Siberia is known to contain a group of coal deposits covering a total area of about 350 square miles in the Irtysh region. The thickness of the coal-bearing strata in these deposits varies widely, reaching from 80 to 135 feet in exceptional cases.

Numerous deposits of brown coal, or lignite, are known to be present in the western part of the Kirghiz Steppe—in the Turgai and Ural regions. In the direction of the Chinese frontier there are mineral coal deposits near Lake Zaisan and a number of additional deposits in an extensive tract between Zaisan, Balkhash and Issyk-kul Lakes. These deposits require detailed investigation and study, as they have been but slightly explored up to the present.

Finally, along the lower reaches of the Yenisei River there is an immense but altogether unexplored coal basin embracing the Tunguska and Khatanka River system and containing inexhaustible mineral coal reserves.

Kuzbas Industrial Colony

THE State industrial combination known as the Autonomous Industrial Colony of "Kuzbas" (this word being a compound abbreviation of Kuznets Basin, in southwestern Siberia) is under the control of the Council of Labor and Defense, having been officially founded on October 1, 1922, in accordance with a decree passed by the latter body under date of July 25, 1922.

Originally the enterprise included the Kemerovo mine and the coke and chemical plants at the same place.

Beginning with January 1, 1925, the Kuzbas organization also embraced the Lenin and Prokopyev coal mines, the Salair and Yurman iron mines, and the Guryev metallurgical plant.

At the present time the Autonomous Industrial

Colony of Kuzbas takes in the following operating mines and plants: The Kemerovo, Lenin (formerly Kolchugino), and Prokopyev coal mines; the Yurman and Salair iron mines; the Kemerovo coke ovens; the Kemerovo chemical plants; and the Guryev metallurgical plant. It also includes the following reserve coal mines: Altai, Erunakovo, Kisselev, Krapivin, Mazurovo, Shestakovo, and October 25 (formerly Poryvaiko).

All of these enterprises are located in Kuznets Basin, southwestern Siberia.

The Board of Directors and main office are in Moscow. The organization also has offices and agencies at Novo-Nikolayevsk, Tomsk, Sverdlovsk (formerly Ekaterinburg), and Leningrad. In addition it has foreign offices in Berlin and New York.

The capital stock authorized under its by-laws was 11,640,000 gold rubles (1 gold ruble equals approximately \$0.515) on October 1, 1925.

The accompanying table gives productive statistics for the Colony during the past three fiscal years and the program figures for the current fiscal year:

| | 1922-23 | 1923-24 | 1924-25 | 1925-26 |
|--|---------|---------|----------|---------|
| Number of Mines in Operation | 5 | 4 | 7 | 6 |
| Number of Plants in Operation | — | 2 | 3 | 4 |
| Total Coal Output in Metric Tons | 111,500 | 152,500 | 426,200* | 729,500 |
| Percentage of Coal Output Consumed for Own Needs..... | 16 | 13 | 12 | 10 |
| Coal Shipped Out in Metric Tons | 93,400 | 133,600 | 352,500 | 622,900 |
| Coke Produced in Metric Tons | 4,300 | 43,400 | 73,800 | 136,100 |
| Coke Shipped Out in Metric Tons | 3,800 | 41,500 | 72,500 | 134,400 |
| Production of Chemicals in Metric Tons | | 2,000 | 4,400 | 8,000 |
| Number of Workers..... | 9,100 | 2,800 | 6,100 | 6,900 |
| Production Cost of Coal per Metric Ton | \$5.34 | \$4.24 | \$3.93 | \$3.27 |
| Production Cost of Coke per Metric Ton | \$14.14 | \$10.05 | \$8.80 | \$7.16 |
| New Housing Constructed in Square Meters | 4,000 | 4,300 | 10,500 | 20,000 |
| Electric Power Stations in Operation.. | — | 1 | 3 | 4 |
| Total Capacity of Electric Power Stations in Kilowatts.. | | 1,000 | 2,150 | 4,325 |

Thanks to its low ash content and freedom from sulphur, Kuznets Basin coal surpasses the well known Cardiff fuel in quality, and it is displacing British coal for use in the fleet.

*This is the figure given in the preliminary report published in December, 1925. According to the report published toward the close of January, 1926, the actual figure was 560,000 metric tons—surpassing the program by 29 per cent.

The products turned out by the chemical works are destined chiefly to meet the needs of the Soviet dye, military and medical industries. The principal products of the Kemerovo Chemical Plant are benzol, toluol, solvent naphtha, naphthalene, anthracene, pitch, aqua ammoniae, creosote and other coal-tar derivatives such as dyestuffs, etc. The plant is about to begin the production of spirits of ammonia, liquid ammonia, ammonium carbonate, carbolic acid and other products.

The Guryev metallurgical plant serves as an auxiliary enterprise for the mines and turns out only a small quantity of metal for the market.

Under the preliminary program for the next fiscal year, 1926-27, it is proposed to put into operation two more coal mines and add a third battery of coke ovens. It is planned to mine close to 1,000,000 metric tons of coal and produce about 250,000 metric tons of coke.

The plans for the development of Kuznets Basin provide for bringing the annual output of coal up to 8,200,000 metric tons within the next ten years and the production of coke up to about 1,300,000 metric tons a year. The construction of a huge metallurgical plant with a yearly output of over 400,000 metric tons of pig-iron is also on the program.

Toward the close of January the Board of Directors of the Kuznets Basin Coal Trust ("Kuzbustrust") completed its report on activities during the past fiscal year 1924-25. This report shows very great achievements. Labor productivity increased one and one-half times. Wages were increased 35 per cent. The selling price of coal was reduced 33 per cent.

Soviet Tea Trust in 1924-25

THE records of the expired fiscal year 1924-25 show a considerable development in the activity of the State Tea Trust.

The production program set up for the fiscal year in question with regard to the entire field covered by the Trust (tea, coffee, caffeic and fruit beverages, chicory, cocoa, and confectionary products), totaling 12,280,000 kilograms and including 8,600,000 kilograms of tea, was executed to the extent of 99.8 per cent in the quantity of products turned out and to the extent of 103.4 per cent in the total realized on sales.

The aggregate output of products by this organization during the fiscal year 1924-25 was 12,254,000 kilograms, which is 72.3 per cent larger than the corresponding figure of 7,112,000 kilograms for the preceding fiscal year 1923-24. This total included 8,248,000 kilograms of tea, representing an increase of 83.9 per cent over the quantity of 4,486,000 kilograms for the previous fiscal year.

According to the program proposed for 1924-25 the State Tea Trust was to employ an average labor force of 2,122 persons, but the average actually working in its enterprises throughout the year was 1,815, equivalent to 85.5 per cent of the forecast.

Thus, while the production program was carried out almost 100 per cent, the average number of workers employed was about 15 per cent less than had been anticipated. This situation was the result of increased labor efficiency and the more complete utilization of the producing capacity of the various establishments during the second half of the fiscal year.

The business done by the Trust in its own products during 1924-25 amounted to 54,718,000 gold rubles (1 gold ruble is approximately equal to \$0.515); including the sugar commission sales it aggregated 64,757,000 gold rubles.

The business turnover of 54,718,000 gold rubles in the Trust's own products for 1924-25 was 137.1 per cent greater than the corresponding turnover of 23,074,000 gold rubles for the fiscal year 1923-24. The tea sales for 1924-25 totaled 47,360,000 gold rubles, representing a rise of 149.2 per cent over the previous fiscal year's aggregate of 19,003,000 gold rubles. The total turnover (including the sugar commission sales), amounting to 64,757,000 gold rubles for 1924-25, was 140.4 per cent larger than the corresponding amount of 26,940,000 gold rubles for the preceding fiscal period. It is accordingly manifest that the business transacted by the State Tea Trust during the past fiscal year 1924-25 was close to two and a half times as large as in 1923-24.

The total business of 54,718,000 gold rubles done by the Trust in its own products during the fiscal period under review consisted of 48,405,000 gold rubles, or 88.5 per cent, in wholesale transactions and 6,312,000 gold rubles, or 11.5 per cent, in retail transactions.

Of its wholesale business for the fiscal year in question 16.6 per cent was done with State organizations, 45.7 per cent with the cooperatives, and 37.7 per cent with private individuals.

Thanks to the extension of its selling organization the State Tea Trust covered not only the centrally located markets of the Soviet Union, but also those of the outlying regions, such as Central Asia, the Caucasus, Siberia and the Far-Eastern Region. The growth of the Trust's selling organization may be seen from the fact that its sales branches in Moscow increased from 16 to 20 between October 1, 1924, and October 1, 1925, while the provincial sales branches increased from 32 to 39, making an aggregate expansion of 22.9 per cent.

The State Tea Trust enjoys the privilege of conducting foreign trade transactions in its line in-

dependently, and it has offices in Shanghai and London for this purpose.

This Trust is the most important economic enterprise in the Soviet Union with regard to supplying the country's demand for tea, coffee and similar beverages, second place in the domestic tea market as regards sales being occupied by the cooperatives as represented by the Central Union of Consumers' Cooperatives ("Centrosoyuz").

Preliminary statistics, based upon compilations by the People's Commissariat for Finances to cover the first ten months of 1924-25, adjusted in accordance with data furnished by the State Tea Trust, show that the total tea sales in the Soviet Union during the entire fiscal year 1924-25 amounted to 12,354,000 kilograms, including 9,220,000 kilograms of bohea tea, 2,994,000 kilograms of compressed brick tea, and 140,000 kilograms of compressed tablet tea. Of this total the State Tea Trust sold 8,511,000 kilograms (69.5 per cent), including 6,234,000 kilograms (67.6 per cent) of bohea tea, 2,241,000 kilograms (74.8 per cent) of compressed brick tea, and 106,000 kilograms (75.7 per cent) of compressed tablet tea. The "Centrosoyuz" sold 2,482,000 kilograms, or 20.1% of the total, all of its sales consisting of bohea tea. These figures reveal that the State Tea Trust and the "Centrosoyuz" handled very close to 90 per cent of all the tea sold in the Soviet Union. The remaining 10 per cent of the sales fell to the share of enterprises run with private capital and some State and cooperative organizations operating on a purely local scale apart from the two leading organizations above mentioned.

Private capital plays an insignificant role in turning out tea and similar beverages. The function of private capital in this field centers principally in transactions of the middleman type.

The aggregate Federal revenue derived from the business of the State Tea Trust in the form of excises, duties, taxes and profits amounted to 28,584,000 gold rubles for the fiscal year 1924-25.

According to the production program for 1925-26 the State revenue from the tea business will total 48,107,000 gold rubles for the current fiscal year.

In line with the capacity of the market both the output and the sales of tea are to be considerably increased during the current fiscal year 1925-26. It is tentatively estimated that the demand will amount to 60,000,000 pounds. Before the war the aggregate sales of tea within the present territory of the Soviet Union were calculated at 156,000,000 pounds a year.

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

Soviet Foreign Trade

THE following table shows the foreign trade of the Soviet Union by months for the first quarter of the fiscal year 1925-26 with comparative figures for the corresponding period of 1924-25. All values are based on current prices expressed in the gold ruble, which is almost exactly equal to \$0.515 in United States currency.

Exports and Imports in Millions of Gold Rubles

| | October | November | December | 1st Quarter |
|---|---------|----------|----------|-------------|
| Exports 1925 | 76.5 | 53.9 | 42.4 | 172.8 |
| Exports 1924 | 41.9 | 32.8 | 44.5 | 119.2 |
| Percentage Ratio of 1925 to 1924 | 182.6 | 164.3 | 95.3 | 145.0 |
| Imports 1925 | 82.5 | 66.6 | 55.9 | 205.0 |
| Imports 1924 | 36.8 | 27.8 | 36.4 | 101.0 |
| Percentage Ratio of 1925 to 1924 | 224.2 | 239.6 | 153.6 | 203.0 |
| Turnover 1925 | 159.0 | 120.5 | 98.3 | 377.8 |
| Turnover 1924 | 78.7 | 60.6 | 80.9 | 220.2 |
| Percentage Ratio of 1925 to 1924 | 202.0 | 198.8 | 121.5 | 171.6 |
| Balance 1925 | -6.0 | -12.7 | -13.5 | -32.2 |
| Balance 1924 | +5.1 | +5.0 | +8.1 | +18.2 |

The Soviet foreign trade situation during December, 1925, as well as throughout the first quarter (October-December) of the fiscal year 1925-26 was essentially different from that of the corresponding period in 1924-25.

During the current fiscal year the decreasing tendency of exports, imports and the total turnover was steadily maintained throughout the course of the first quarter. In December, as compared with the preceding month, the foreign trade turnover shrank 18.4 per cent, imports diminishing 16.1 per cent and exports 21.3 per cent. Exports for the month fell 4.7 per cent below the figure for December, 1924.

The extremely unfavorable ratio of the export volume to that of imports during the present fiscal year has produced a continually increasing adverse balance in Soviet foreign trade, whereas during the previous fiscal year, despite the almost complete absence of grain exports, there was a favorable balance of 18,200,000 gold rubles for the first quarter, as against an unfavorable balance of 32,200,000 gold rubles for the opening quarter of the current fiscal period. This condition arose in connection with price movements on the domestic and foreign markets unfavorable to Soviet exports, and also in conjunction with the necessity of enlarging Soviet imports of industrial raw material and equipment. As a result the Soviet Union's foreign trade turnover for the first quarter of the current fiscal year was 71.6 per cent larger than that of the same period of 1924-25, the exports increased 45 per cent, while the imports somewhat more than doubled.

As compared with the preceding month of No-

vember, the only Soviet export items to register an increase for December, 1925, were oil-cake, which rose from 1,700,000 gold rubles to 2,900,000 gold rubles; manganese ore from 1,700,000 gold rubles to 2,100,000 gold rubles; and flax from 1,500,000 gold rubles to 3,100,000 gold rubles. Decreases for the month were recorded in the case of grain exports, which declined from 14,200,000 gold rubles to 5,900,000 gold rubles; eggs from 4,800,000 gold rubles to 2,300,000 gold rubles; timber products from 5,300,000 gold rubles to 2,200,000 gold rubles; furs from 6,800,000 gold rubles to 1,500,000 gold rubles; and petroleum products from 4,300,000 gold rubles to 3,400,000 gold rubles.

Among the Soviet import items for December, 1925, marked increases were shown over November by rubber, which went up from 700,000 gold rubles to 2,200,000 gold rubles, and by ferrous metals, which advanced from 500,000 gold rubles to 3,900,000 gold rubles. Declines for the month in question were noted for cotton imports, which fell from 13,800,000 gold rubles to 5,900,000 gold rubles; cotton yarn from 2,100,000 gold rubles to 800,000 gold rubles; and cotton fabrics from 7,100,000 gold rubles to 1,900,000 gold rubles. Decreases also occurred in Soviet imports of chemical products, tanning materials, dyes, and some other commodities.

Soviet Oil Exports for First Quarter 1925-26

Figures published in January, 1926, showed that Soviet petroleum product exports for the first quarter (October-December) of the current fiscal year 1925-26 aggregated 313,600 metric tons, registering an advance of 123,000 metric tons, or about 65 per cent over the total of 190,600 metric tons for the same quarter of the previous fiscal year 1924-25.

A comparison of the export figures for individual petroleum products reveals increased shipments of fuel oil and gasoline, together with a decrease in kerosene shipments, as compared with the first quarter of 1924-25.

A tabulation of Soviet petroleum product exports by countries places England and her colonies in the lead with 26.7 per cent of the total for the quarter, followed by Italy with 24.2 per cent, France—21.4 per cent, Germany—17.2 per cent, Latvia—3.8 per cent, and other countries—6.7 per cent.

Worthy of note is the entrance of the Soviet Oil Syndicate into the Turkish market, to which somewhat over 2,200 metric tons of Soviet petroleum products were exported during the quarter under review.

The Azerbaijan Oil Trust ("Azneft") accounted for 73.3 per cent of the total Soviet petroleum product exports during the first quarter of 1925-26 as compared with 81.4 per cent for the initial

quarter of 1924-25, the Grozny Oil Trust ("Grozneft") for 26.0 per cent as compared with 16.3 per cent, and the Emba Oil Trust ("Embaneft") for 0.7 per cent as compared with 2.3 per cent.

Soviet Purchases Abroad

During the current fiscal year 1925-26, ending September 30, 1926, it is planned to purchase abroad various raw products, materials and machinery for the Soviet textile industry to the amount of 250,000,000 gold rubles. These purchases are to be made through the Textile Import Company, a special organization recently formed.

Up to the middle of December 1925 the purchases of machines and parts effected in England for the new or supplementary equipment of operating Soviet textile factories aggregated 34,000,000 gold rubles.

By the same date up to 40 per cent of the fiscal year's requirements of raw wool had been bought. Hitherto the principal markets for Soviet wool purchases have been England and Germany, but of late business relations have also been initiated with powerful Belgian firms in this line.

Franco-Soviet Trade

The Soviet Union's trade turnover with France from the time that the Soviet Trade Delegation was organized in Paris during the month of January, 1925, up to October of the same year constituted about 120,000,000 gold rubles* (approximately \$61,800,000), of which over 100,000,000 gold rubles represented Soviet exports to France, while imports from France amounted to somewhat more than 19,000,000 gold rubles.

The leading items of Soviet sales to France were grain products, totaling about 60,000,000 gold rubles, and petroleum products, aggregating over 28,000,000 gold rubles.

Soviet purchases in France included 4,500,000 gold rubles' worth of dry goods, 3,000,000 gold rubles of machinery and lathes, and 2,000,000 gold rubles of automobiles and auto parts.

* This refers to purchase and sale orders and not to actual shipments.

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., will be ready for distribution at the beginning of March. Contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

Soviet Finances

THE aggregate volume of all classes of money circulating in the U. S. S. R. on January 1, 1926, was equivalent to 1,269,298,600 gold rubles. This total was made up of the following amounts of the various Soviet circulation media:

| Kind of Money | Amount in Rubles |
|----------------------------------|----------------------|
| 1. Bank Notes of State Bank..... | 726,639,600 |
| 2. Treasury Issues: | |
| (a) Treasury Bills | 387,737,300 |
| (b) Silver Coin | 141,941,800 |
| (c) Copper Coin | 7,623,700 |
| (d) Small Change Paper Tokens | 5,356,200 |
| Total | 1,269,298,600 |

A comparison of the foregoing total with the volume of monetary circulation on December 1, 1925, reveals a slight decrease of 17,385,900 gold rubles, or 1.4 per cent. This reduction took place chiefly at the expense of Treasury Bills and bank notes of the State Bank. Within the month in question the amount of bank notes in circulation diminished by 11,646,400 gold rubles, or 1.6 per cent, while the quantity of Treasury Bills declined by 6,723,300 gold rubles, or 1.5 per cent. The volume of silver and copper coin in circulation increased by 414,600 gold rubles. At the same time 430,800 gold rubles' worth of small change paper tokens were withdrawn from circulation.

Balance Sheet Totals and Capital of Soviet Banks

During the first quarter of the fiscal year 1925-26, i. e., from October 1, 1925, to January 1, 1926, the combined balance sheet total and paid up capital of the State Bank and the leading joint-stock banking institutions in the Soviet Union underwent the following changes:

The combined total of the balance sheets issued by the State Bank and the head offices of the seven principal joint-stock banks (Industrial Bank, Bank for Foreign Trade, All-Russian Co-operative Bank, Moscow City Bank, Central Municipal Bank, Central Agricultural Bank, and Electro-Bank) increased from 2,890,100,000 gold rubles (1 gold ruble is approximately equal to \$0.515) on October 1, 1925, to 3,227,000,000 gold rubles on December 21, 1925, representing an advance of 11.5 per cent.

As regards paid up capital stock, that of the State Bank remained unchanged (107,900,000 gold rubles), while the combined total for the seven joint-stock banks rose from 304,700,000 gold rubles to 311,400,000 gold rubles during the month of October, an increase of 2.2 per cent, and showed a further rise up to 322,200,000 gold rubles during the month of November, an increase of 3.5 per cent, thus recording an aggregate growth of over 5.5 per cent for the two months.

Grain, Cotton and Flax Crops

LATE statistics of the grain crops of the Soviet Union for 1925 show larger crops of corn and barley than had been reported, and slight decreases in wheat, rye and other grains. The gross crop of all grains shows a decrease of 22 million bushels from the estimate made about a month ago. The grain crop now stands at 2,732 million bushels as compared with 1,826 million bushels in 1924, and a pre-war production of about 3,200 million bushels.

Individual grains, in millions of bushels, are as follows: Rye 774, wheat 663, oats 658, barley 287, buckwheat 62, millet 140, corn 178. The corn crop marks a new high record for Russia.

Late statistics of the cotton, flax and hemp crops of the Soviet Union show advances over the earlier estimates.

The cotton crop was 906,000 bales, as compared with 521,000 bales in 1924 and a pre-war average of 953,000 bales. The increase over the crop of 1924 was 74 per cent.

The gross flax fibre crop was 404,000 metric tons, as compared with 244,000 in 1924 and 419,000 in 1913. The gross hemp fibre crop was 449,000 metric tons as compared with 308,000 in 1924 and 351,000 in 1913.

All-Union Cotton Production Conference

One of the sessions of the All-Union Cotton Production Conference, held at Moscow during the month of January, was devoted to the consideration of reports from the various cotton-growing areas.

The Chairman of the Uzbek Cotton Committee stated that with the increase planned for 1926 the cotton area of the Uzbek Soviet Republic (Central Asia) will aggregate 1,395,900 acres. The current year's cotton plantings in the Turkoman Soviet Republic (Central Asia) will cover 195,350 acres.

The report presented by the Transcaucasian Cotton Committee placed the 1925 cotton area in this territory at 289,980 acres.

The ginning of the cotton is going forward satisfactorily. In coordination with the irrigation possibilities the cotton area in Transcaucasia this year will be brought up to 363,150 acres, or up to 94 per cent of the pre-war plantings in this territory.

Rice Growing in Far-Eastern Region

During the month of January the Executive Committee of the Maritime Province in the Far-Eastern Region confirmed a three-year plan for the extension of rice plantations in this area. By the year 1928 the rice plantations are to cover 27,000 acres, and it is expected that the resulting crop will be sufficient to meet the needs of the

entire Soviet Union for this commodity. At the same time two rice-hulling factories are to be set up.

The rice produced in the Maritime Province has already conquered the Siberian market. Shortly after the confirmation of the above-mentioned plan the first shipment of rice, totaling over 660 metric tons, was scheduled to leave for Odessa. The rice-hulling factory in Vladivostok is turning out over 36,000 pounds of cleaned rice a day.

Cooperatives in the U. S. S. R.

THE following table illustrates the increases in the financial resources of the three principal classes of Soviet cooperatives during the 15-month period extending from January 1, 1924, to April 1, 1925, the amounts being given in terms of the gold ruble, which is equivalent to almost exactly \$0.515:

Financial Resources of Cooperatives

| | Millions of | Millions of | Millions of |
|---|--------------|--------------|--------------|
| | Gold Rubles | Gold Rubles | Gold Rubles |
| | Jan. 1, 1924 | Oct. 1, 1924 | Apr. 1, 1925 |
| Consumers' Cooperatives | 608 | 928 | 1,087 |
| Agricultural Cooperatives | 287 | 539 | 635 |
| "K u s t a r" (Home - Craft) Cooperatives | 63 | 106 | 130 |
| Total | 958 | 1,578 | 1,852 |

For the fifteen months in question the aggregate financial resources of the cooperatives in the Soviet Union accordingly grew by 894,000,000 gold rubles, or 93.3 per cent.

The next table gives the various classes of resources at the disposal of the three categories of cooperatives:

Cooperative Resources

| | Own | Outside | Internal |
|---|--------------|--------------|--------------|
| | Resources | Funds | Cooperative |
| | Millions of | Millions of | Millions of |
| | Gold Rubles | Gold Rubles | Gold Rubles |
| Consumers' Coopera- tives | 288.7 | 583 | 215.3 |
| Agricultural Coopera- tives | 105.0 | 402 | 128.0 |
| "K u s t a r" (H o m e - Craft) Coop. | 29.0 | 75 | 26.0 |
| Total | 422.7 | 1,060 | 369.3 |

The foregoing figures reveal that throughout the Soviet cooperative system as a whole the process of attracting outside funds went forward at a somewhat faster rate than the accumulation of resources belonging to the cooperative organizations themselves. Thus, during the fifteen months under review the external resources at the disposal of the cooperatives increased by 104 per cent, whereas their own resources grew by only

77 per cent. In the case of the consumers' cooperatives outside resources augmented by 94.3 per cent and own resources by 68.6 per cent. The artisan, or home-craft ("kustar"), cooperatives increased their own funds by but 26.1 per cent and the outside funds by 150 per cent. Only in the case of the agricultural cooperatives did the accumulation of their own resources exceed the accretion of outside funds at their disposal, the former rising 133.4 per cent as against 111.6 per cent for the latter.

House-Building Cooperatives in the Soviet Union

On October 1, 1925, there were 940 house-building cooperatives in the Soviet Union with a total membership of 140,000. The average amount of funds at the disposal of the individual house-building cooperative during the past fiscal year was 2,360 gold rubles. During the elapsed building season 230 of these cooperatives constructed or renovated 1,300 houses with 700,000 cubic feet of living space.

It is estimated that the membership of the house-building cooperatives will be brought up to 186,000 during the current fiscal year 1925-26 and that the average capital resources of the individual organization will be increased to 7,780 gold rubles. The fulfilment of the construction program adopted by the house-building cooperatives will require credits aggregating 6,720,000 gold rubles. In order to assure the necessary quantities of building materials, the Central Union of House-Building Cooperatives has concluded a number of special agreements with representatives of State industry for supplies of cement, iron and timber up to a total of 6,000,000 gold rubles. In view of the shortage of bricks the organization intends to construct its own brick ovens, for which purpose it is negotiating loans with the Central Municipal Bank.

During the forthcoming season the Union of House-Building Cooperatives of Moscow Province expects to construct houses with an aggregate living space of 630,000 cubic feet and floor space of 210,000 square feet. Figures published on October 27, 1925, showed that there were 438 house-building cooperatives in Moscow.

The All-Russian Cooperative Bank

During its three years of activity the All-Russian Cooperative Bank ("Vsekobank") has considerably extended its operations. Between January 1, 1923, and January 1, 1926, the balance sheet total of this financial institution increased from 2,400,000 gold rubles (1 gold ruble equals approximately \$0.515) to 152,100,000 gold rubles, or about 63 times.

The bank's share capital, which constituted 1,100,000 gold rubles at the date of its establish-

ment, had risen to 16,100,000 gold rubles by January 1, 1926, having expanded 15.7-fold.

The All-Russian Cooperative Bank has 7,674 shareholders, all of whom are cooperative organizations.

Land, Sea and Air Traffic in the Soviet Union

FOR the fiscal years 1922-23 and 1923-24 the Soviet transportation system showed considerable deficits, which were covered by State appropriations. In 1922-23 this deficit amounted to 143,000,000 gold rubles or 30 per cent of the total disbursements of the Commissariat for Transports, while in 1923-24 it was reduced to 79,000,000 gold rubles, or 12 per cent of the total expenditures of the Commissariat.

As a result of the increased volume of agricultural produce turned out for the market and the consequent larger and heavier freight traffic, the revenues of the Commissariat for Transports reached a total of 902,000,000 gold rubles for the fiscal year 1924-25, whereas the expenditures amounted to only 891,000,000 gold rubles, so that there was a surplus of 11,000,000 gold rubles.

It is anticipated that by virtue of the approach of national economy to the pre-war level the expansion of freight traffic will go forward at a still faster pace during the current fiscal year 1925-26. In view of this the transportation revenues in the proposed Federal budget for this fiscal period are placed at 1,325,000,000 gold rubles, while the transportation expenditures are set at 1,275,000,000 gold rubles, so that there will be a surplus of 50,000,000 gold rubles if the forecasts are fulfilled. This surplus is to be turned over to the Federal Treasury.

It must be remembered that the revenue derived from the railroads also goes for the maintenance of waterways, ports and local transportation facilities, the individual income of these parts of the transportation system being as yet inadequate to cover their own operating and development needs.

Soviet Steamship Lines in 1925-26

The Presidium of the State Planning Commission of the Soviet Union recently approved the program for fast steamship service during the fiscal year 1925-26.

This plan provides for the execution of 72 voyages with a total navigating distance of 62,000 miles in the White Sea area (25 voyages on the Murmansk line, 12 on the Mezen River line, 8 on the Kandalaksk Bay line, 5 on the Pechora River line, 20 on the line of the Onega and Kem Rivers, and 2 on the Cheshkaya Bay line).

In the Black Sea it is proposed to arrange 28 voyages with a total navigating distance of over 118,000 miles. In the Pacific Ocean region the program calls for 55 voyages with an aggregate navigating distance of 183,000 miles, including 8 voyages on the Tartary line and 32 voyages to foreign ports. In the Caspian Sea it is planned to make 79 voyages, including 31 on the North Caspian routes and 48 on the South Caspian lines.

The total sum appropriated for subsidies to support the fast service steamship lines during the fiscal year 1925-26 is fixed at 1,175,000 gold rubles (1 gold rouble is approximately equivalent to \$0.515). Pursuant to a decision of the Transports Section the rate tariffs are not to be increased during the course of this fiscal year over those prevailing on lines operating last year.

Improvements at Soviet Ports

During 1925 the navigation channels were deepened at the Odessa, Nikolayev, Kherson, Kerch, and other Soviet ports. Work was also begun for deepening the channels of approach to the ports of Mariupol, Kerch, and Rostov. During the current year these channels will be brought to their pre-war width.

In all the large ports loading operations are being placed on a machine basis. The elevator at Novorossiysk has been restored. The warehouses at Odessa have been equipped with mechanical equipment. The best elevator in Europe with regard to constructive features and dimensions is being equipped at Nikolayev. Mechanical cargo transfer equipment has been installed at Theodosia, Odessa, Nikolayev, and Novorossiysk. Mechanical equipment has been installed in the warehouses at Mariupol and Sebastopol. Overhead expenses have been reduced everywhere. The port of Tuapse has been restored and is now included among the active export harbors. Its role will grow after the pipe line from the Grozny oil fields has been laid.

Among Soviet ports Novorossiysk holds first place for handling the largest volume of traffic, Vladivostok being second and Leningrad third.

Soviet Airplane Flights in 1926

With the support of public organizations interested in aviation, Soviet fliers are arranging four speed flights on planes of domestic construction over the following routes:

The first course, to be flown on postal service planes, covers a distance of 7,150 kilometers, starting from Moscow and proceeding to Koenigsberg, Paris, Rome, Vienna, Prague, Warsaw, and back to Moscow.

The second route, to be completed on passenger flying machines, extends for a distance of 6,000 kilometers from Moscow to Berlin, Frankfort-on-

the-Main, Paris, and return via Frankfort-on-the-Main and Koenigsberg to Moscow.

The third contest will be held over a distance of 1,870 kilometers between Moscow and Angora with a stop at Sebastopol.

Finally, there will be a fourth course extending over a distance of 3,100 kilometers from Moscow to Rostov-on-the-Don, the Mineralniye-Vody in the Caucasus, Baku, and Teheran.

Activities of Siberian "Aviakhim"

During the elapsed fiscal year 1924-25 the airplanes of the Siberian "Aviakhim" Society, an association devoted to the promotion of aviation and other measures of defense, flew a total distance of 42,700 kilometers and visited 200 population centers. These planes took up about 1,800 persons, many of them inhabitants of the remote northern regions who had never seen flying machines before.

The Siberian "Aviakhim" Society is now making intensive preparations for the flight planned for this coming March to the Turukhansk area of the Arctic region. The overland journey to the territory in question takes about three weeks, but the distance will be covered in seventy-two hours by airplane.

A detailed study of the question of airplane communication with the Turukhansk region in northwestern Siberia has brought out its practicability and commercial advantage. Fur purchasers are especially interested in this project, since aerial transportation will free them from dependence upon limited navigation seasons and the condition of the sledge routes.

It is planned to have the airplane line extend from Krasnoyarsk to Yeniseisk, Nizhnaya Tunguzka, Turukhansk, Dudinka and Norylskoye. The total flying distance will be 2,200 kilometers. Airplane traffic will be possible almost the entire year round.

Soviet Airplanes Arrive in Persia

On January 24 two airplanes, purchased by the Persian Government from the "Aviakhim" flying machine factory in the Soviet Union, flew from Baku to Teheran. The machines were equipped with 400-horsepower motors and were piloted by Persian flyers specially trained at the Third Aviation School in Moscow. Before starting out for Persia the aviators made the following statement to a representative of the press:

"We leave the Soviet Union with feelings of profound thankfulness and gratitude for the opportunity to learn the flying art accorded to us by the Soviet Government, as well as for the cordial attitude we have met with here. We have received an excellent theoretical and practical preparation for flying activity in a special avia-

tion course. The school we attended, providing facilities for learning the art of aviation in one year, indicates the high standard of aviation in the Soviet Union, which is not behind any other country in this respect."

The Persian aviators expressed the confidence that their work in Persia will serve as the best advertisement for the Soviet aviation school.

Tatar Territories in the U. S. S. R.

THERE are three republics within the Soviet Union in which the Tatars constitute either the majority or a very substantial part of the population. These republics are: The Azerbaijan Soviet Republic which forms part of the Transcaucasian Soviet Federation, the Tatar Autonomous Soviet Republic and the Crimean Autonomous Soviet Republic—the two latter being included in the territory of the R. S. F. S. R.—i. e., Soviet Russia proper.

The present article deals with the progress achieved by the Tatar and Crimean Republics in the course of the last few years. The situation in Azerbaijan will be the subject of another article in one of the forthcoming issues of the *RUSSIAN REVIEW*.

The Tartar Soviet Republic

The Tartar Autonomous Soviet Socialist Republic was formed in pursuance of a decree passed on June 27, 1922, by the All-Russian Central Executive Committee and the Council of People's Commissars of the R. S. F. S. R. (Soviet Russia proper). The territory of the new autonomous state unit was made up of the greater part of Kazan Province and of a number of counties ("Uyezds") from the provinces of Vyatka, Ufa, Samara, and Simbirsk. In accordance with the Constitution of the R. S. F. S. R., the administrative apparatus consists of the local Soviets, a Central Executive Committee and a Council of People's Commissars embracing the following ten Commissariats: Internal Affairs, Justice, Education, Health, Social Welfare, Agriculture, Food Supply, Finances, Council of National Economy, and Workers and Peasants Inspection.

During the early years following its formation the economic situation of the Tatar Soviet Republic was exceedingly difficult. The civil war waged for a prolonged period directly on the Tatar territory and the occupation by Kolchak's "White" armies had inflicted immense ruin upon the agricultural life of the country. There had been a marked decrease of the sown area, a sharp decline in the average yield per acre, and a diminution of the number of draft animals and productive live-stock. This process of agricultural retrogression was complemented and dis-

astrously topped off by the severe crop failure of 1921.

The following figures illustrate the disruption of agriculture in the Tatar territory during the years in question:

| | 1916 | 1920 | 1922 |
|------------------------------|-----------|-----------|-----------|
| Sown Area (Acres) | 6,641,900 | 4,627,800 | 2,786,400 |
| Live-Stock (number of head)— | | | |
| (a) Draft animals... | 562,600 | 486,500 | 230,700 |
| (b) Cattle | 588,300 | 419,200 | 285,000 |
| (c) Sheep and goats | 2,563,000 | 1,222,700 | 640,700 |

The timely receipt of seed and agronomic assistance, credits for the purchase of live-stock, and a correctly organized system of agricultural implement supply rendered it possible for the agricultural economy of the Tatar Republic to accomplish marked progress within a comparatively short period, as the accompanying figures demonstrate:

| | 1922 | 1924 |
|------------------------------|-----------|-----------|
| Sown Area in Acres | 2,786,400 | 4,813,000 |
| Live-Stock (number of head)— | | |
| (a) Draft animals | 230,700 | 320,000 |
| (b) Cattle | 285,000 | 601,000 |
| (c) Sheep and goats | 640,700 | 1,120,000 |

Accordingly, the sown area had already passed the 1920 total, while the number of cattle was larger than in 1916. Moreover, in addition to the progress in the quantitative rehabilitation of agriculture in the Tatar Autonomous S. S. R., a qualitative improvement is observable. An extensive land amelioration campaign is under way, together with a movement for the resettlement of peasants on free lands available in the State land reserve, the clearing of forest areas, and so forth.

The rapid growth of the collective farming groups, as shown in the following table, serves as another index of the agricultural revival in the Tatar Autonomous Soviet Republic:

| Year | Number of Collective Farming Groups | Total Acreage Cultivated |
|------------|-------------------------------------|--------------------------|
| 1920 | 42 | 12,420 |
| 1921 | 57 | 26,730 |
| 1922 | 25 | 18,630 |
| 1923 | 90 | 70,470 |
| 1924 | 105 | 82,620 |

The next table records the expansion of the State budget of the Tatar Soviet Republic:

Budget of Tatar Soviet Republic

| Fiscal Year | Revenues Gold Rubles | Allotment from Federal Budget Gold Rubles | Total Gold Rubles |
|---------------|----------------------|---|-------------------|
| 1922-23 | 1,985,000 | 875,000 | 2,860,000 |
| 1923-24 | 7,793,000 | 1,897,000 | 9,690,000 |
| 1924-25 | 8,408,000 | 1,613,000 | 10,021,000 |

The revenue sections of the local budgets in the Tatar Autonomous Soviet Socialist Republic are also growing steadily. Thus, while the actual income under these aggregated 1,732,000 gold

rubles for the fiscal year 1922-23, the receipts for the first half alone of 1924-25 totaled about 5,000,000 gold rubles.

Each year sees an increase in the political activity of the Tatar people, and the percentage of Tatars in the State institutions is growing continually. The last Congress of Soviets, which is the supreme body of the Tatar Soviet Republic, was attended by 223 Tatars and 141 representatives of national minorities; the Tatars thus constituted 61 per cent of the total number of delegates. The chairman of the Central Executive Committee and of the Council of People's Commissars, as well as the People's Commissars, were Tartars. In 1921 the Tatars occupied 10.4 per cent of the responsible posts in the People's Commissariats of the Tatar Soviet Republic, and in 1925 the percentage had already risen to 20. Among the lower personnel the Tatars constituted 9.7 per cent in 1921 and 21.2 per cent in 1925.

The following figures indicate the situation with regard to advanced and special educational establishments in the Tatar Republic:

| | |
|---------------------------------------|----|
| Institutions of Higher Learning | 4 |
| Workers' Colleges | 2 |
| Technical Schools | 23 |
| Vocational Schools | 8 |
| Factory Schools | 8 |
| Vocational Courses | 5 |
| Other Special Schools | 10 |
| Total | 60 |

Among this total the exclusively Tatar educational institutions include one workers' college, 5 technical schools, and 2 vocational courses. The total number of students in all the special educational institutions of the Tatar Republic, with the exception of the four institutions of higher learning, is approximately 6,500, of whom 34 per cent are Tatars and 3.2 per cent Chuvashes.

The population of the Tartar Republic is 2,925,167, according to data of 1925. Of this number 1,306,200 are Tartars, 1,205,000 Russians, 173,900 Chuvashes and 139,900 Bashkirs. There are also several thousands of Mordvinians, Mari, Votiaks and Jews.

The Crimean Autonomous Soviet Socialist Republic

The Crimean Autonomous Soviet Socialist Republic was founded in November, 1920, after the defeat of Baron Wrangel, the last leader of the counterrevolutionary armies.

The economic situation of the Crimea following the flight of the Wrangel forces was not less difficult than that of the territory of the Tatar Soviet Republic after the retreat of the Kolchak forces. The crop failure of 1921 also had very grievous consequences in the Crimea. The area sown to grain declined by 70 per cent and the tobacco

plantings were reduced by 90 per cent, while the loss of population through death by famine reached 15 per cent.

At the present time agriculture in the Crimean Autonomous S. S. R. is being rapidly restored. The sown area in 1925 constituted 50 per cent of the 1916 total. The 1925 grain crop aggregated 574,000 metric tons, as against 156,000 metric tons for 1924. This left a surplus of about 131,000 metric tons available for shipment out of the territory. The use of tractors in the agricultural economy of this Autonomous Republic is increasing year by year. During 1925 the Crimea had 200 tractors.

In 1924 tobacco plantings in this area surpassed the pre-war figure, constituting 6,865 acres, as compared with 5,800 acres in 1913. In 1925 there was a further extension of the tobacco area, combined with an improvement in the quality of the leaf grown.

The Crimea has witnessed a notable resumption of grape culture, in which 40,000 persons, mostly Tatars, are engaged. During the fiscal year 1924-25 the vineyard area amounted to 75 per cent of the pre-war total, the yield averaging 2,650 pounds of grapes per acre.

The number of draft animals has augmented sharply in comparison with 1920, the total now being 94,500 head, which is equivalent to about 73 per cent of the pre-war figure.

Crimean orchard and garden cultivation in 1925 embraced an area of 24,300 acres, i. e., approximately 70 per cent of the pre-war total, while the crop aggregated over 24,500 metric tons, constituting 45 per cent of the pre-war volume.

Highly important results have been attained through the distribution of the large estates and a more rational regrouping of the land-holdings of the various farmsteads in the same village. A land fund has been established to provide farms for Tatar reimmigrants from Turkey. All the water resources of the Crimean Soviet Republic have been nationalized and a decree has been promulgated concerning the utilization of waters in the Crimea, wherein the basis for the practical solution of the acute water problem in this territory has been laid for the first time. During 1925 the sum of 1,300,000 gold rubles (approximately \$669,500) was expended to systematize water utilization in the Crimea, as against 325,700 gold rubles (approximately \$167,725) in 1916.

Crimean industry has also made great progress, especially the tobacco, canning, leather and salt branches. In 1925 the output of the tobacco industry was valued at \$4,635,000, while the salt industry turned out 396,000,000 pounds of salt and the canning industry turned out 2,000,000 cans of tomatoes, 2,000,000 cans of various fruits and 700,000 cans of vegetables, etc.

The present political situation of the Crimea

presents a striking contrast with its status before the war. Prior to the Revolution the Crimea, as a part of Taurida Province, was ruled by the Governor-General at Simferopol. Now the Crimean Autonomous Soviet Socialist Republic has its own Constitution, adopted at the Second All-Crimean Congress of Soviets on November 7, 1921. The Tatars predominate in all the higher organs of the Crimean Soviet Republic. Thus, there are four Tatars among the seven members of the Presidium of the Crimean Central Executive Committee, while of the nine People's Commissars four are Tatars, four Russians and one Ukrainian; etc. The chairmanships of the Central Executive Committee and of the Council of People's Commissars are held by Tatars of local Crimean origin.

The Crimean Republic has 719,500 inhabitants according to data published in 1925. Of this number 317,300 are Russians, 185,000 Tatars, while the remainder is made up of various other nationalities, such as Ukrainians, Jews, Germans, Greeks, Bulgars, Armenians and Gypsies.

Prisons and Reformatories in the Soviet Union

SOVIET institutions of detention are designed for the application of social protective measures of a correctional character. They include (1) houses of detention, (2) correctional workhouses, (3) work colonies—agricultural, artisan and factory, (4) extraordinary penitentiaries, and (5) transitional correctional workhouses.

Workhouses for delinquents of minor age constitute a special group of institutions for the application of social protective measures of a medico-pedagogic nature.

Finally, there are groups of institutions for the application of social protective measures of a purely medical character. These are the colonies for confined persons of a psychically unbalanced character and for prisoners suffering from tuberculous or other diseases, institutions for psychiatric examination, hospitals, and so forth.

Persons sent to houses of detention include all those held for investigation, those who have been sentenced to imprisonment but whose sentence has not yet legally become effective, and those sentenced to imprisonment for not more than six months. Persons sentenced to imprisonment for terms of more than six months are sent to correctional workhouses.

The agricultural, artisan and factory labor colonies are intended for persons sentenced to imprisonment without strict confinement for terms of not over five years, provided it is established by the courts that they belong to the working population and are first offenders who have com-

mitted crimes either fortuitously without realizing the gravity of their offense or as a result of grievous material conditions.

The extraordinary penitentiaries are institutions designed for persons sentenced to imprisonment with strict confinement, if they do not belong to the working population and have committed crimes owing to class habits or interests, or, in general, for all prisoners deemed dangerous to the Republic.

The transitional houses of correction are destined for those prisoners who upon the completion of their term of confinement in other institutions have shown themselves to be adapted to working life and have been deemed fitted for transfer to a semi-free existence.

The regimen in Soviet prisons is based upon an appropriate combination of the principles of obligatory labor and cultural and educational activity for the inmates.

The employment of physical measures is categorically forbidden in prisons in the Soviet Union. Fetters, manacles, punitive cells, strict solitary confinement, deprivation of food, and the practice of restricting prisoners to see their visitors only from behind the bars, are not employed in Soviet prisons.

Female prisoners who are pregnant when admitted are not sent to do any work outside of the institution after the fifth month of their pregnancy.

The prison workshops are organized for such work as may enable the inmates to learn some trade.

Cultural and educational activity of a school and other than school character is conducted in every correctional workhouse. Attendance at the literacy classes is obligatory for all illiterate and semi-literate inmates up to the age of fifty.

General educational, musical and literary clubs are organized in all penal institutions. Concerts, theatrical performances, literary evenings, sport competitions, and radio are arranged with the talent available among the prisoners themselves. Concerts are especially favored.

Gymnastic exercises, under the guidance of experienced instructors, are obligatory for all inmates in good health.

Prisoners showing an inclination to change their mode of life are transferred to sections with a less restricted regimen. They may be freed conditionally or have their sentences commuted; or they may be granted leaves from the institution for general outside work and for farm labor in the summer. This work in the fields is counted as part of the imprisonment term if the inmate on furlough presents a certificate from the local authorities showing that he behaved well during his leave and really worked. The productive work

of the inmates in the institutional shops and colonies is encouraged by reckoning two days of satisfactory work as three days of ordinary confinement. The work itself is paid for.

Committees have been organized to assist persons released from prison.

The largest group among those sentenced to limited prison terms consists of persons who have committed property crimes and includes 42 per cent of the total number of inmates. About 40 per cent of the prisoners have been sentenced up to one year, 30 per cent up to three years, and the remainder for more than three years.

During the year 1925 the reviewing commissions examined 90,000 cases, most of them involving petitions for commutation of sentence or for the granting of releases. Three quarters of these petitions were accorded.

Criminal acts reached their maximum during the first half of the year 1922, this phenomenon being connected with the crop failure. Crime then rapidly decreased, reaching its lowest point during the first half of 1923. From that point the number of crimes showed a new increase, which reached its high level during the first quarter of 1925, although this crime wave was considerably lower than that of the first half of 1922.

During 1923 crime declined under the influence of the good harvest of 1922, but later a number of disturbing factors made their appearance in the economic life of the Republic. During the second half of 1923 there was a sharp divergence between the prices of agricultural and industrial products. There was, furthermore, a period of general industrial depression, accompanied by increased unemployment and, finally, by the poor harvest of 1924.

The considerable growth in the volume of crime shown by the comparative figures for 1924 and the beginning of 1925 is due mainly to minor offenses. Grave crimes, such as murder, banditry and robbery, increased only to a slight extent. Recently the largest increase has been recorded by offenses connected with malfeasance of official duty, such as embezzlement, misappropriation, fraud.

Pardons are widely employed in Soviet penal practice. Instances have occurred in which the Central Executive Committee of the Soviet Union, without issuing an official declaration of amnesty or pardon, has given the right to institute pardons to the Central Reviewing Commission, which has proceeded to do so through the instrumentality of administrative orders.

The State Institute for the Study of Crime and Criminals has been organized to make a scientific investigation of questions connected with correctional workhouses. The leading professors of penology in the Soviet Union have been attracted to this work.

Provision for Homeless Children

THE Small Council of People's Commissars, which was commissioned to revise the existing legislation for the protection of homeless children, has drawn up a proposed decree for presentation to the Council of People's Commissars of the Russian Socialist Federated Soviet Republic (Soviet Russia proper).

The fundamental features of this measure are the recognition of the need of systematic provision for homeless children, the inadmissibility of decreasing the number of inmates at present officially prescribed for the children's homes, and the necessity of taking in thirty thousand homeless children during the fiscal year 1925-26. It is recommended that room for twenty-three thousand be made in the existing children's homes by transferring such of the present inmates as are ready for it to productive occupations and to farm life, the remaining seven thousand to be provided for through the appropriation of funds for the establishment of new institutions for their accommodation.

According to information supplied by the People's Commissariat for Education there are within the R. S. F. S. R. (Soviet Russia proper) 800,000 children in need of assistance, not less than 150,000 of them being absolutely homeless.

In particular, toward the beginning of December, 1925, there were up to one thousand uncared for homeless children in the city of Moscow. During the course of this month about four hundred children were placed in the institutions for the protection of minors. They were transferred to children's homes, where room was made for them by sending some of the inmates to their parents and relatives. In addition some homeless children were taken off the streets and placed in work communes.

The system of institutions maintained to provide for homeless children in Moscow includes four receiving establishments with room for 1,050 inmates. The children remain here from one to four months. During this period they are studied, tested and classified.

In the Province of Moscow there are 25 work communes of the double type (agricultural and industrial) with accommodations for 1,500 children, 5 agricultural colonies for 600 children, 3 children's homes with workshops for 350 children, 9 district workshops for 1,500 children, 8 boarding houses for 500 children, and one night lodging house for 100 children who can spend the daytime in a special building attached to it. Altogether, these institutions provide for up to 6,000 homeless children.

The program of immediate future work by the Moscow Soviet in this field consists in placing all the homeless children of Moscow in these institutions.

Miscellaneous News

Settlement Prospects in Siberia and the Russian Far East

The expedition sent by the People's Commissariat for Agriculture to Siberia and the Far-Eastern Region to make a detailed study on the spot regarding the number of settlers that could be located during the forthcoming years in that territory, has revealed that it will be possible to accommodate as many as 1,000,000 newcomers there during the next ten years instead of 300,000 as proposed under the plan drafted originally by the Far-Eastern authorities. The Maritime Province alone, for example, has room for 500,000 colonists, while Amur Province could provide for 300,000 more.

In Siberia the expedition made it its aim to come to an agreement with the local administrative organs upon the prospective settlement plan drawn up by the People's Commissariat for Agriculture. The fundamental feature of this project is extensive railroad construction, which will facilitate the colonization of the marshy forest regions ("taiga") adjoining the navigable rivers in the south and thus render it possible to intensify agricultural economy in the steppe and mixed forest and steppe zone of Siberia, at the same time giving an impetus to the development of industry in this area. Through a mass of authoritative data the expedition showed that the immense natural resources of the territory, now dormant because of the lack of cheap and suitable means of communication, may be uncovered and brought within reach of the populated points. The most effective instrument for the attainment of this purpose is, on the one hand, the construction of so-called super-trunk railroad lines, i. e., railway lines with greater traffic capacity than the usual railroads, and, on the other hand, the construction of railway branch lines connecting the Siberian super-trunk lines with the northern marshy forest regions and the southern agricultural zone. In this manner it would be possible to bring about a considerable reduction in the cost of transporting both timber and agricultural products from this richly endowed territory, and through its natural attraction of workers and farmers this factor would promote the welfare of the region, stimulate the development of the cities, and of their industries, and lift the agriculture of this area out of the backward condition in which it has remained despite the most bountiful natural resources.

The arrival of the expedition and its work aroused great interest in Siberia. The expedition

succeeded in reaching an agreement in principle with the representatives of the People's Commissariat for Transports and the local authorities for the gradual addition of branch lines to the existing railroad trunk routes, and it also secured recognition of the fact that it is indispensable to reduce transportation rates, in one way or another, on timber materials and the chief agricultural products.

Georgian Manganese Concession

By January 1, 1926, the Georgian Manganese Company (Harriman concession) had exported about 160,000 metric tons of manganese. Shipments for December surpassed 50,000 metric tons, and a further increase was considered likely for the month of January.

The concessionary firm has equipped a laboratory at Chiaturi, which has thus far worked only on the analysis of export ore. The analyses have established the fact that Chiaturi manganese ore contains 54 per cent of metallic manganese. Manganese ore from the mines of India, after being put through an improved washing process, shows a metallic manganese content of 51 per cent. During the analyzing process signs of iron, copper and phosphorus were obtained.

A number of ore samples have been sent to an American university, where experiments will be made to determine the best method of washing the ore. On the basis of this experimental work a small experimental washing plant will be constructed at Chiaturi to be followed by the erection of one or two large central washing works.

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The Chinese-Eastern Railroad Controversy

ON February 4, Mr. G. V. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, issued the following statement to the Moscow press with regard to the Chinese-Eastern Railroad controversy, then on the point of settlement:

"The unfriendly press of the capitalist countries has hastened to take advantage of the Chinese-Eastern Railroad conflict, now about to be terminated, for the utterance of new calumnies and falsehoods against us. In its endeavor to discredit the Soviet Republic in the eyes of the Asiatic peoples that are struggling for their liberation, and in the eyes of the public in Europe and America, the capitalist press has pictured the diplomatic contest which we have had to carry on in Manchuria during recent days, as a renewal on our part of the aggressive imperialistic policy of the old Tsarist government. This crude lie is shattered to pieces upon the slightest application of an analysis of the facts. Throughout this crisis the Soviet Government has stood firmly and it continues to stand unalterably on the basis of the treaty concluded with China on May 31, 1924. It has not and will not put forth any demands or desires in excess of this treaty.

"Now, what is the nature of the treaty of May 31, 1924, upon whose strict fulfillment the Soviet Government insists? In order to understand the enormous significance of this treaty, it should be recalled what the Chinese-Eastern Railroad represented in Tsarist times. Under the guise of a mixed Russo-Chinese enterprise the Chinese-Eastern Railroad, with the railway zone and the immense adjoining concession territories, actually constituted an extension of the Russian Empire and, notwithstanding some formal screens, was under the sovereign power of the Tsarist government in the full sense of the word. The railroad's Board of Directors was made up of nine Russians and one Chinese, and the manager designated by them exercised the most extensive powers, not only over the railroad, but also over the administration of the region, playing the role of a sort of Tsarist governor-general. The entire administration of the railroad was in Russian hands, the railway zone was occupied by Tsarist military forces, and its civil and legal administration was in Russian hands. In reality this was an extension of Russian territory, connecting Chita with Vladivostok through a narrow zone.

"The treaty of May 31, 1924, creates an alto-

gether different system for the Chinese-Eastern Railroad and represents a diametrically opposite approach to the question of the relations between the two nations in this region. It is founded upon the principles of the complete recognition of China's sovereign power over her territory, the transformation of the Chinese-Eastern Railroad into a purely commercial enterprise, the establishment therein of managing equality for both parties, and the recognition of the right of the Chinese Government to purchase the railroad with Chinese capital before the expiration of the term of the contract as soon as the Chinese Government desires to do so. It must not be forgotten that the general treaty signed between the Soviet Union and China on May 31, 1924, lays down the principle of the replacement of the agreements concluded between the Tsarist government and China by new ones on a basis of equality, reciprocity and justice. With the exception of questions relating to the business operation of the Chinese-Eastern Railroad, all other matters appertaining to the rights of national and local authorities of the Chinese Republic, such as judicial matters, questions of civil administration, military administration, police, municipal administration, taxation and land property (except lands indispensable for the railroad itself), are recognized to be in control of the Chinese authorities. The appointment of the personnel connected with the management of the railroad is carried out on the basis of the principle of equal representation for Soviet and Chinese citizens.

"In its character this agreement is the exact reverse of those concluded with China by other European nations, particularly England. Thus, for example, the two agreements between England and China concerning Hongkong, the agreement between them regarding the lease of Weihaiwei to England, and so forth, constitute crying infractions of Chinese sovereignty: all the authorities there are exclusively English, the judiciary is English, the military forces and the police are English, and England has the right to erect there any fortifications she pleases.

"I can affirm that during the past year and a half the system of joint commercial exploitation of the Chinese-Eastern Railroad by the Soviet Republic and China has yielded excellent results, it has increased the road revenues and led to an improvement of its technical organization. The successful application of this system has naturally

prompted a desire on the part of the enemies of the Soviet Republic and the Chinese people to vitiate these relations and disrupt the mutual work arranged. A considerable number of White Guards, who remained in Manchuria after the defeat of Kolchak and his accomplices, have been attempting in every way to create difficulties for the operation of the railroad and, feeling themselves supported on the part of outside influences, they have tried to induce some of the local representatives of the Chinese authorities to hinder the collaboration of China with the Soviet Republic. The latest conflict arose because the opponents of the Soviet Union succeeded in stirring up to illegal acts certain local representatives of the Chinese military authorities who had fallen under influences hostile to us.

"The occasion for these unlawful acts by the local Chinese authorities was the necessity of deciding the question of payment for the transportation of military forces on the Chinese-Eastern Railroad. According to the by-laws of the Chinese-Eastern Railroad, which remain in force in such of their sections as were not annulled by the treaty of May 31, 1924, the Chinese military forces are carried at half fare. In addition to this, in former times there were Tsarist armed forces on the railroad, who were transported on the usual basis, the same as in Russia, that is, upon special certificates with subsequent payment of the cost of the passage by the Ministry of War to the railroad at the end of a month and a half. Being a commercial enterprise, the Chinese-Eastern Railroad must be conducted in strict accordance with business principles, and its management cannot afford the free transportation of military forces, something that has too adverse an effect upon the economic situation of the road. Several months ago it was decided to reinstate the former regulation with regard to payment for the transportation of Chinese troops, and this met with no objection at the moment. The management had no intention of demanding payment for passage from the Chinese soldiers at the moment they boarded, but it insisted that in the event of transportation of troops on credit the Chinese military authorities should assume the obligation to pay within a definite time. The disturbances, which began on the railroad in January, were originally aimed—so it was claimed—at securing free passage for the troops in contravention of the previous rules. But later the illegal acts of the local Chinese authorities took on a broader character, and seizures of the railroad by the military authorities with the removal of the railway administration began to occur. The arrest of Mr. Ivanov, manager of the railroad, appointed by the Board of Directors and confirmed by the Soviet Government, was an act of harsh challenge to the Soviet Union and was followed by wholesale persecutions

of the railroad workers, arrests, searches and the closing of the labor unions, which played a substantial part in the management of the railroad. The substitution of outside persons for the administration set up by the treaty was likewise the most flagrant infraction of the Soviet-Chinese agreement.

"The Soviet Government adopted the course which is clearly prescribed by its treaty relations and friendship with China. Addressing to the Chinese Government a demand for the restoration of order on the Chinese-Eastern Railroad, for the enforcement of the agreement and for the release of Mr. Ivanov, at the same time the Soviet Government requested the Chinese Government to grant it permission to accomplish these objects with its own means if the task should appear impossible of execution by the Chinese Government within a three-day period. Thus, the Soviet Government did not wish to act apart from the national organ of the Chinese people at present in existence. It had in view the adoption of the necessary measures only in agreement with the latter for the enforcement of the agreement.

"The Chinese Government promptly met the Soviet Government half-way and took the steps that depended upon it, addressing to Chang-Tso-Lin, the actual wielder of power in Manchuria, a demand for the restoration of the conditions established by the treaty. The negotiations by Mr. Krakovetsky, our Consul General, with the latter yielded a favorable result at the end of a few days. Chang-Tso-Lin issued a number of orders designed to settle the controversy. First Mr. Ivanov was released and the release of the other arrested workers and other employes was begun; the principle of payment for the transportation of troops was established with some details left to be determined in the course of subsequent negotiations. Following this Chang-Tso-Lin issued an order concerning the reestablishment of the labor unions and other suppressed organizations and concerning their restoration to their former position. Negotiations are also under way regarding the liability of the individuals guilty of violence and all sorts of unlawful acts on the railroad, regarding the dismissal from the Chinese military authorities of certain conspicuous persons, who played a particularly detestable role in the disorders on the railroad, and likewise regarding the indemnification of the railroad for the losses caused to it. The Soviet Government is striving solely for the enforcement of the agreement on the Chinese-Eastern Railroad and for an assurance of its correct operation, with the most strict regard for the principle of China's sovereignty and for the rights belonging to the Chinese Government on Chinese territory. The crisis now terminating is a clear illustration of the peaceable methods and aspirations of the Soviet

Government, its steadfast decision for the unalterable maintenance of friendly relations with China and an unimpeachable attitude toward the Chinese Government. The manner in which the Chinese Government acted during this controversy shows that on its part it also maintains an amicable and altogether correct position with respect to the Soviet Union. It has not been possible immediately to curb the illegally acting local military authorities and to constrain them to submit to the agreement regulations, but with the collaboration of Chang-Tso-Lin the restoration of lawful administration on the railroad is proceeding successfully. Quite proper likewise was the attitude of the Japanese Ministry of Foreign Affairs, which declared officially that the controversy on the Chinese-Eastern Railroad was the affair of the Soviet Union and China and expressed the hope that it would be peacefully settled. On its part the Soviet Government also desires to develop further the friendly relations already established with the Japanese Government, and it considers it indispensable to endeavor to avert anything that might disturb these relations.

"I may be permitted to express the hope that, despite all the difficulties hindering the restoration—on the Chinese-Eastern Railroad—of the situation established by treaty, the crisis that is terminating will assist in the stabilization of relations on the Chinese-Eastern Railroad and facilitate the further strengthening of relations between the Soviet Union, China, and Japan."

Mining Concession in Far-Eastern Region

A CONCESSION agreement with a British firm known as the Amur Joint-Stock Mining Company (formerly the Amur Syndicate, Limited) was confirmed by the Federal Council of People's Commissars on December 1, 1925, and went into effect during the following month.

The agreement was signed in the name of the Soviet Government by Mr. Pyatakoy, Acting Chairman of the Supreme Council of National Economy of the Soviet Union, and Mr. Litvinov, Acting People's Commissar for Foreign Affairs, and in the name of the company by Mr. L. L. Arzt, Managing Director of the firm in the Soviet Union.

Under this agreement the concessionary firm is granted the right of prospecting, surveying, mining and smelting the iron, silver-zinc-lead and accompanying ores in sixteen iron ore sectors and in thirty silver-zinc-lead ore sectors located in the Maritime Province in the region of the Bays of Pkhusun, Olga, Vladimir, and Tetiukha, about 270 miles north of Vladivostok. The concessionary

company is also accorded the privilege of utilizing the superficies, forests and waters for the needs of its enterprises on the terms usually stipulated in concession agreements.

The agreement is concluded for thirty-six years. During the course of the first three years the concessionary enterprise must carry out detailed surveys of all the tracts allocated to it and must expend a total of not less than \$200,000 on this work. By the end of the sixth year the concessionary must erect, equip and put into operation mines and concentration plants for the iron and silver-zinc-lead ores with sufficient capacity to fulfill the program prescribed for the iron and lead smelteries.

The concessionary is to pay the Soviet Government a pro-rata share, which the Government may collect either in kind or in money at its discretion. In addition to the pro-rata share, the concessionary enterprise is obliged to make an annual payment of 1.25 gold ruble (approximately \$0.64) per hectare on the sectors allotted to it for exploitation.

The concessionary firm may import machinery, instruments and other articles required for the equipment of its enterprises, such shipment being admitted duty-free during the first six years of the concession period. Throughout the term of the agreement the concessionary is under obligation to maintain the enterprises in perfect order and make use of all the newest technical improvements. The Government has the option of purchasing all of the concessionary's output intended for sale.

All taxes and dues are to be paid by the concessionary company on the same basis as by similar State mining enterprises.

Disputed questions between the Government and the concessionary are to be settled by a court of arbitration consisting of one representative of the Government and one of the concessionary, these two agreeing upon the choice of a third member as umpire. If no agreement can be reached upon the selection of an umpire, the Council of the Leningrad Mining Institute will name six persons of European repute in the mining or metallurgical fields, or jurists, and the concessionary will designate one of them as umpire.

According to a statement made to the press by the Chief Concessions Committee, this concession agreement lays the foundation for the creation of a metallurgical industry in the Far-Eastern Region. The concessionary is to set up on virgin soil such valuable works as iron and lead smelteries, ore concentrating plants, and so forth. There is reason to expect that this concession will enrich the Far-Eastern Region with a new port, which the concessionary enterprise will, most likely, find it necessary to establish in order to export its output.

Copper, Zinc and Aluminum Industry

THE development of the non-ferrous metallurgical industry in the Soviet Union is being effected and planned along the three lines of enlarged production by existing plants, the establishment of new enterprises, and the utilization of non-ferrous metal scrap.

The following figures illustrate the progress made by the various non-ferrous metal smelting trusts. The progress made by the Ural Copper Trust in volume of smeltings during the fiscal year 1921-22 surpasses that of the other branches of the Soviet metal industry. This trust smelted 1,731 metric tons of copper in 1922-23; 2,957 metric tons in 1923-24; and 6,793 metric tons in 1924-25, thus considerably exceeding the production program of 6,049 metric tons for the fiscal year in question. The plans of this enterprise call for the smelting of 9,484 metric tons of copper during the current fiscal year 1925-26 and 12,102 metric tons during the forthcoming fiscal year 1926-27.

The Allaverdov and Zangezour works in Transcaucasia plan to smelt 1,967 metric tons of copper during the current fiscal year 1925-26. After the expenditure of about \$900,000 on major construction and equipment work at these plants it will be possible to bring their combined output up to 5,700 metric tons a year.

During the past fiscal year 1924-25 the Tanalyk smeltery of the Bashkir Mining Trust turned out 1,180 metric tons of copper. Its production schedule for the current fiscal year 1925-26 entails an output of 1,546 metric tons. Further extension of production depends upon the prospecting operations now under way.

At the Alagir (Caucasus) plant of the Non-Ferrous Metals Industry it is proposed to smelt 2,000 metric tons of lead and 5,000 metric tons of zinc during the present fiscal year 1925-26, as compared with an output of 960 metric tons of lead and 1,500 metric tons in 1924-25. The production program for the current fiscal year will be rendered feasible through the expenditure of approximately \$900,000 on major construction and equipment work.

The Bogomolov Combination, a new organization, now has smelting works under construction and they are to be completed within a period of three years. It is expected that the plant will be ready for operation in 1927-28, and the production program for the following fiscal year 1928-29 calls for an output of 12,000 metric tons of copper.

Work on the completion of the Atbassar* smelt-

* In the Kazak Soviet Republic, Central Asia.

ing plant was begun in June, 1925. The concentration of materials for construction operations here during the current year 1926 has been started.

It is proposed to spend about \$50,000 for preliminary experiments on a semi-practical scale to secure data for the expansion of the aluminum producing industry in the Soviet Union. The organization of aluminum production planned by the Chief Metals Department has been postponed for the time being because of the lack of funds.

The utilization of non-ferrous metal waste is also being developed. The factories of the State Non-Ferrous Metals Industry have instituted a system of reworking all brass filings and shavings. At one of the plants it has proved possible to treat up to 30 metric tons of such brass waste a day, which will result in the recovery of 9,000 tons of pure copper a year in addition to a large amount of zinc oxide.

Gold Production in the Soviet Union

The State Planning Commission of the Soviet Union had adopted a three-year plan for increasing gold production, involving an expenditure of \$8,500,000 by the State mines for new equipment. Production will be brought up to between 60 and 70 per cent of that of the United States.

Production in the Soviet Union during the past fiscal year ending September 30, 1925, was about 61,200 pounds avoirdupois. During the current fiscal year it is planned to produce 72,540 pounds, in 1926-27 to produce 84,789 pounds, in 1927-28 to produce 92,384 pounds, which is 77 per cent of the production of 1913.

The State mines are expected to furnish this year 51 per cent of the output, private enterprises 49 per cent. This year's output of the Lena Goldfields, recently leased to an Anglo-American concessionary, is expected to be about 16,200 pounds.

Cement Industry in the Soviet Union

Plans for the cement industry of the Soviet Union for the current fiscal year ending September 1 next call for a total output of nine million barrels, equal to the output of 1913. Production rose rapidly from the low point of 534,000 barrels in the fiscal year 1921-22, to 3,960,000 barrels during 1924-25. Thirty-three factories are now working, as compared to fifty before the war. The present equipment is considered adequate to cover an increase in the annual output to 13,000,000 barrels during the next few years. Demand is growing rapidly and the present price is 140 per cent of the pre-war price.

Exports of Soviet cement last year aggregated 30,078 metric tons, about five times the pre-war

average. The export was almost wholly to the Near Eastern countries and Persia.

Soviet Foreign Trade in 1924-25

THE following table presents the total figures of the Soviet Union's foreign trade with the various countries, according to the latest data of Soviet customs statistics. The amounts are expressed in millions of dollars and include the exports and imports across both European and Asiatic frontiers:

Soviet Foreign Trade in 1924-25 in Millions of Dollars

| Country | Exports to | Per-centage of Total | Imports from | Per-centage of Total | Balance |
|-----------------|------------|----------------------|--------------|----------------------|---------|
| Afghanistan | 0.3 | 0.0 | 0.8 | 0.3 | -0.5 |
| Argentina | ..... | ..... | 5.4 | 1.5 | -5.4 |
| Australia | 0.0 | 0.0 | 16.3 | 4.2 | -16.3 |
| Austria | 1.5 | 0.5 | 5.6 | 1.5 | -4.1 |
| Belgium | 9.9 | 3.4 | 1.7 | 0.5 | +8.2 |
| Brazil | ..... | ..... | 0.7 | 0.2 | -0.7 |
| Bulgaria | 0.1 | 0.0 | 0.0 | 0.0 | +0.1 |
| Canada | 0.0 | 0.0 | 1.2 | 0.3 | -1.2 |
| Ceylon | ..... | ..... | 0.9 | 0.3 | -0.9 |
| China | 4.7 | 1.6 | 8.8 | 2.4 | -4.1 |
| Czechoslovakia | 0.2 | 0.0 | 11.2 | 3.1 | -11.0 |
| Denmark | 7.0 | 2.4 | 1.0 | 0.3 | +6.0 |
| Egypt | 3.2 | 1.1 | 11.8 | 3.2 | -8.6 |
| England | 95.6 | 32.8 | 57.0 | 15.6 | +38.6 |
| Estonia | 7.2 | 2.6 | 2.2 | 0.6 | +5.0 |
| Finland | 1.3 | 0.4 | 9.5 | 2.6 | -8.2 |
| France | 11.4 | 3.9 | 4.7 | 1.3 | +6.7 |
| Germany | 44.8 | 15.4 | 52.9 | 14.5 | -8.1 |
| Greece | 2.6 | 0.9 | 0.1 | 0.0 | +2.5 |
| Holland | 10.6 | 3.6 | 17.7 | 4.9 | -7.1 |
| Hungary | 0.0 | 0.0 | 0.3 | 0.0 | -0.3 |
| India | 0.2 | 0.0 | 4.5 | 1.3 | -4.3 |
| Italy | 7.9 | 2.7 | 2.6 | 0.7 | +5.3 |
| Japan | 5.5 | 1.9 | 0.6 | 0.2 | +4.9 |
| Korea | 0.2 | 0.0 | 0.0 | 0.0 | +0.2 |
| Latvia | 32.3 | 11.1 | 1.4 | 0.4 | +30.9 |
| Lithuania | 0.0 | 0.0 | 0.1 | 0.0 | -0.1 |
| Mexico | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mongolia | 1.4 | 0.5 | 1.8 | 0.5 | -0.4 |
| New Zealand | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Norway | 0.9 | 0.3 | 2.6 | 0.7 | -1.7 |
| Persia | 14.7 | 5.1 | 26.1 | 7.1 | -11.4 |
| Poland | 2.0 | 0.7 | 5.3 | 1.5 | -3.3 |
| Portugal | ..... | ..... | 0.4 | 0.1 | -0.4 |
| Rumania | 0.2 | 0.0 | 0.0 | 0.0 | +0.2 |
| Spain | ..... | ..... | 0.8 | 0.3 | -0.8 |
| Sweden | 0.5 | 0.2 | 8.0 | 2.5 | -7.5 |
| Switzerland | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Turkey | 5.5 | 1.8 | 1.9 | 0.5 | +3.6 |
| United States | 14.5 | 5.0 | 98.0 | 26.8 | -83.5 |
| Yugoslavia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other countries | 6.1 | 2.1 | 1.4 | 0.4 | +4.7 |
| Total | 292.3 | 100 | 365.3 | 100 | -73.0 |

Foreign Parcels to Soviet Union

OF LATE there has been a large increase in the number of foreign parcels sent to the Soviet Union. Thus, the Moscow Customs Service has been receiving approximately 700 parcels a day, while the daily average for Kiev has been around 200.

In this connection it is not without interest to cite the digest issued by the Chief Customs Department covering the existing regulations for the receipt of parcels from abroad. Each citizen of the Soviet Union has the right to receive, without a license from the People's Commissariat for Commerce, one parcel a year, not over 5 kilograms in gross weight, from relatives or acquaintances abroad. If the contents of the foreign parcel exceed the prescribed standard for personal consumption, it is adjudged "commercial" by the Customs Service and is assessed with a five-fold duty or returned to the foreign country of origin. Parcels are deemed to be commercial if they are forwarded by one trading firm to another trading firm; also in cases where they show signs of specially organized shipments on a large or systematic scale, even though addressed to different individuals; and, finally, in the case of repeated shipments to the address of one and the same person.

The list of articles which it is permissible to send in parcels, is extensive, ranging from edibles, dry goods, knit goods and shoes to musical instruments. It is forbidden to send explosives, military weapons, telegraph, telephone and radio apparatus, securities annulled by the Soviet Union, pictures and films of a pornographic character, etc. Complex medical and pharmaceutical apparatus may be received in parcels with the preliminary authorization of the Chief Customs Department. Medicaments may be received without previous permission by this Department, but only on condition that their weight is not over one kilogram and that the recipient produces the proper prescription issued by a physician. Finally, it is forbidden to pack in the parcel anything that may be considered "freight" and that may be ordered only with a license from the People's Commissariat for Commerce (for example, bicycles in knocked-down form).

On a number of articles sent in parcels from abroad duties are collected according to classification and weight. Thus, the duty payable on a woman's woolen chemise (average weight 120 grams) is 1.44 rubles, equivalent to approximately \$0.74 at the present exchange of about \$0.515 per ruble; on a man's linen shirt—3 rubles; on a cotton shirt—2 rubles; on a piece of light printed woolen cloth—0.94 rubles; on a piece of woolen goods for a dress—11 rubles; on a piece of woolen

goods for a man's suit—13 rubles; on a pair of men's leather shoes—4 rubles; on a pair of women's shoes—2.70 rubles; on a pair of women's patent leather slippers—3.35 rubles; on a man's ready-made woolen suit—39 rubles; on a man's topcoat—33 rubles; etc.

Freight Transport in U. S. S. R.

ON the basis of Art. 2 of a decree passed by the Council of Labor and Defense on April 15, 1925, concerning the list of routes open for the transit shipment of goods from countries having commercial relations with the Union of Soviet Socialist Republics (Collected Statutes of the Union of S. S. R., 1925, No. 36, Art. 272), the Council of Labor and Defense decreed on September 2, 1925:

I. To permit the passage of transit shipments through the territory of the Union of S. S. R. from countries having treaty relations with the Union of S. S. R., all goods of such foreign origin being permitted to go through without limitation as to quantity, subject to the exceptions specified below.

II. Not to permit the transit passage of:

1—(a) Sugar, (b) Cotton manufactures, (c) Alcohol, and (d) Rubber manufactures en route to Black Sea ports from points across the western and northern land and sea frontiers of the Union of S. S. R.

2—Alcohol through points of the northern and western land and sea frontiers toward Vladivostok or Nikolayevsk-on-the-Amur.

3—(a) Petroleum products, (b) Rails, Sheet Iron and Assorted Iron Shapes en route to Manchuria from Vladivostok and Nikolayevsk-on-the-Amur.

4—Regardless of routing, all goods forbidden entry under the customs tariff confirmed by the Council of People's Commissars of the Union of S. S. R. on January 8, 1924 (Collected Statutes of the Union of S. S. R., 1924, No. 10, Appendix to Art. 99).

Change in Routing of Soviet Cargoes

During the month of January, in connection with the anticipated discontinuation of ice-breaking operations at the port of Leningrad in February, the People's Commissariat for Commerce of the Soviet Union proposed to all exporting organizations that they route their shipments via the ports of Reval, Riga, Koenigsberg, and Murmansk. It was recommended that cargoes be routed through the nearest one of these ports, unless some special reason made a different routing more advantageous.

Freight consigned to Germany is to be sent over the through Soviet-Lithuanian-German railroad line, and the same route may be employed for shipments going to France.

The shippers of cargoes routed via Murmansk will enjoy special reduced rates on a number of commodities in addition to the privilege of lower customs duties.

Grain shipments are to be sent over the through rail route to Koenigsberg, this being the most favorable for such cargoes.

Operation of the Chinese-Eastern Railway

In the course of 1924-25 the Chinese-Eastern Railway carried 25 per cent more freight than in the fiscal year 1923-24.

The total commercial activity of the railroad shows an increase of 30 per cent, i. e., even more than the freight transport.

The financial results of the activities of the road are shown in the table below, indicating the revenues and expenditures connected with the regular operation of the road (in millions of gold rubles):

| Year | Revenues | Expenditures | Profit |
|---------------|----------|--------------|--------|
| 1922-23 | 38.0 | 23.2 | 14.8 |
| 1923-24 | 33.6 | 22.8 | 10.8 |
| 1924-25 | 43.3 | 21.9 | 21.4 |

The net profit, after deducting expenditures in connection with special deficit items, as well as the expenditures for new constructions, is shown in the following table:

| Year | Revenues | Expenditures | Profit |
|---------------|----------|--------------|--------|
| 1922-23 | 38.7 | 31.1 | 8.6 |
| 1923-24 | 33.7 | 27.6 | 6.1 |
| 1924-25 | 43.5 | 26.7 | 16.8 |

P A M P H L E T S

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Struggle Against Tuberculosis in the Soviet Union

OUTSIDE of a few sanitariums conducted by the Russian Red Cross Society and the Alexander III Sanitarium of Yalta, near Massandra, pre-war Russia had no State organizations for fighting tuberculosis.

The only public organization of this kind then in existence was the Society for the Struggle against Tuberculosis and it had just begun its activity by arranging a three-day sale of "White Flowers" each year in order to raise funds.

The municipal administrations here and there opened special tuberculosis sections with a regimen of the sanitarium type in connection with existing hospitals.

All the activities along this line at that time were of an incidental character.

In the year 1910 out of every 10,000 persons in the population of Leningrad (St. Petersburg) 344 were suffering with active or virulent tuberculosis. The Moscow average for the same year was 285 per 10,000. In 1911 the figures for these two cities were 323 and 294 respectively; in 1918—386 and 202; in 1919—299 for Moscow; in 1920—555 for Leningrad and 397 for Moscow; in 1921—381 and 281 respectively; in 1922—410 and 210; in 1923—293 and 275; in 1924—161 for Moscow.

The marked decline in tuberculosis cases in the cities during recent years is due to the extensive institution of measures to combat the malady. The 8-hour workday, the two week vacation to which all workers and clerks are entitled and the one month vacation for workers in the more harmful occupations, the rest homes, the sanitariums, the health resorts, the systematic medical examination of workers, the measures for safeguarding labor, mothers and children, the dispensaries—all these were bound to have their effect in decreasing the prevalence of tuberculosis in the urban centers of the Soviet Union.

The planful struggle against tuberculosis occupies a prominent place in the country's general system of health protection.

The best residential buildings are set apart for sanitariums and dispensaries for tubercular patients, both adults and children. An Anti-Tuberculosis Institute has been organized in the great building of the former institute for young ladies of the nobility on Ekaterinburg Square in Moscow.

The Central Social Insurance Board has opened a number of sanitariums for tubercular patients. The Main Bureau of State Health Resorts has re-

paired all the private sanitariums in the Crimea and on the Black Sea coast (Gagry, Sukhum, etc.) and has opened them to persons afflicted with tuberculosis.

But, while the struggle against tuberculosis has been launched on a large scale in the cities, as yet little has been done in this regard in the rural regions. There are still no accurate statistics on the number of tuberculosis cases in the country districts. It is estimated that the proportion of tubercular patients in the rural areas ranges from 50 to 200 per 10,000 of population. At the present time attention is being directed to the improvement of the tuberculosis situation in the rural regions.

Altogether, up to the present nine tuberculosis research and curative institutions have been opened in the Soviet Union (in Moscow, Leningrad, Krasnodar, Yalta, Saratov, Kharkov, Kiev, and Odessa).

Throughout the Russian Socialist Federated Soviet Republic (i. e., Soviet Russia proper) there are 120 anti-tuberculosis sanitariums with 8,347 beds and 189 dispensaries. Sanitariums have also been established in the Autonomous Republics as well as in the other Constituent Republics. In addition to this there are two leprosy institutions which provide 180 beds for persons suffering with skin tuberculosis of the lupus type.

A special Institute of the Sisters of Social Aid has been organized to assist the population in the fight against tuberculosis.

Beside this, a sanitarium for peasants has been opened in the Crimea in the former Imperial Palace of Livadia and it is now being enlarged to accommodate 400 beds. Last season as many as 1,500 peasant patients were treated at the Livadia Sanitarium.

A widespread educational campaign for the prevention and reduction of tuberculosis is being carried on in the cities and villages. Since the Revolution a number of All-Union congresses have been convened for the special purpose of discussing the struggle against tuberculosis.

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Cultural Life in the Soviet Union

State Institute of Art History

THE State Institute of Art History, located in Leningrad, parallels in part the work of the State Academy of Fine Arts in Moscow, with the distinction, however, that the Institute is not only a learned body, but also a teaching organization. The institution was founded by private persons back in the year 1912, but it was not until the past few years that it acquired especial importance in the artistic life of the Soviet Union. This development is principally due to the fact that whereas during the early period of its activity, before the Revolution, the Institute devoted itself exclusively to the study and teaching of the history of the arts of form (painting, sculpture, architecture), at the present time in addition to a section for the formative arts it has three other sections, each devoted to one of the major branches of art, namely, a section for the history of theatrical art, one for the history of musical art, and a third for the history of the speaking arts (poetry, oratory, etc.).

Each of the main sections of the Institute is further divided into departments, or chairs, devoted to the special problems of its particular field of art history. For instance, the section for the history of the formative arts has departments of Ancient Art, Classic Oriental Art, Old Russian Art, Western Art, a number of departments relating to the theory of the arts of form, and others.

Moreover, along with these departments, which carry on the activities of the Institute along pedagogical lines, special organs of a purely research and scientific character have been created in connection with the various sections. Thus, in conjunction with the section for the history of the speaking arts there is a Society for the Study of Belles-Lettres, which has played a very important role in the development of modern Russian literature. It suffices to say that quite a number of works connected with the study of Pushkin, a subject that has become especially popular in recent years, was read originally at the sessions of this society.

With reference to the teaching part of the Institute's work, it is worthy of note that since 1922 the institution has provided what are known as Special Classes for the Preparation of Experts, these courses being very carefully organized and conducted by Leningrad scholars.

The Section for the History of Formative Arts is headed by Professor Bogayevsky; the Section for Musical Arts by the renowned theoretician and writer on this subject, Igor Glebov; the Sec-

tion for Theatrical Arts by Gvozdev, the country's foremost student of theatrical art; and the Section for the Speaking Arts by Professor Zhirmunsky, the eminent Leningrad philologist. The Institute as a whole is headed by Professor Schmidt, famous as a historian of the arts.

The Institute possesses a large and valuable library, as well as a number of other auxiliary establishments, including a photography studio and a photograph library, a chamber for the study of artistic speech, and so forth.

The State Institute of Art History has made excellent arrangements for the publication of its works and in this respect is much in advance of other scientific bodies in the Soviet Union. Most of its works are issued in the special series printed by the Academy Publishing House of Leningrad and enjoy an extensive circulation.

Connections Between Soviet and Foreign Science

ON the 19th of January the Soviet Academy of Sciences received a communication from the International Committee that had just been formed in Paris for Scientific Connections with the Soviet Union. This document quoted the text of the invitation sent by the Committee to all French savants, irrespective of their political views, to participate in the work of the Committee on a purely scientific basis.

The Committee's communication stated that the rupture of scientific connections with the Soviet Union has had an exceedingly harmful effect upon all branches of knowledge. The absence of the works of Russian scientists in French laboratories and libraries presents a serious gap in scientific activity. The time has now come when scientific ties between the two countries should be strengthened to the utmost. The Committee considers it indispensable, in the first place, to arrange as soon as possible for a proper exchange of scientific publications. It adds that it will do everything within its power to facilitate visits to France by Russian scientists. The question of the feasibility of having Russian scientists take part in French scientific enterprises, and vice versa, is proposed for immediate consideration.

The communication from the French Committee was signed by Paul Boyer, head of the Institute of Oriental Languages; Langevin, the physicist; Professor L'Hirondelle of the University of Lille; Professor Silvain Levy; Levy-Bruhl, Member of the French Academy of Sciences; Professors Paul and Andre Masson; and Messrs. Meillet and Pelliot, both Members of the French Academy of Sciences.

Program of Turkological Congress

IN its bulletin of January 6, 1926, the Telegraph Agency of the Soviet Union ("Tass") reported as follows about the program of activities of the forthcoming Turkological Congress:

The First Turkological Congress, which is to convene at Baku on February 20, will be conducted in accordance with the following program:

After the greetings and the adoption of rules of procedure the Congress will listen to a discussion of the family ties of the Turko-Tatar with the Finno-Ugric, the Mongolian and the Aryan.

The Congress will then divide into two sections, one on Theoretical and the other on Practical Turkology.

The Section on Theoretical Turkology will discuss four fundamental problems: (1) the contemporary situation and immediate future tasks of the studying of Turko-Tatar languages; (2) the immediate tasks and the contemporary position of the history of the Turko-Tatar peoples; (3) the present condition and the immediate tasks of the ethnography of the Turko-Tatar peoples; and (4) the results and outlook for the studying of Turko-Tatar literature.

The Section on Practical Turkology will occupy itself with the solution of questions concerning the alphabet, the orthography, the terminology and the method of teaching the Turkish language in the schools.

After this the Congress will take up the elaboration of practical measures and the resolutions introduced on all the questions before the body.

In addition to this, the Congress will hear a report by Mr. Oldenburg, Permanent Secretary of the Academy of Sciences of the Soviet Union, on the problems of elaborating a plan for studying the language, the customs and the history of the Turko-Tatar peoples.

The Congress will also consider the question of creating a fund for the study of the Turko-Tatar Republics, and it will also consider the question of organizing a permanent publishing department to issue first the works of the Congress and then other works on Turkology.

Among the practical questions to come up before the Turkological Congress the center of interest will be held by the problem of the alphabet, concerning which four viewpoints have already been clearly differentiated: (1) isolated partisans of the old Arabian alphabet (the Arabists), of whom there are but few; (2) the advocates of the reform of the old Arabian alphabet (the Neo-Arabists), these being very numerous among the Kazan Tatars; (3) the proponents of the introduction of the Russian alphabet, and (4) the adherents of the adoption of the Latin alphabet (the Latinists), who are in turn divided into the following groups: a group that desires to introduce the Latin alphabet unchanged and without

reserve in the shortest possible time; a group that stands for the introduction of the Latin alphabet slowly through a long period of time, beginning with the higher educational institutions, i.e., colleges, and working down to the elementary schools; and a group that recommends the opposite process of working from the bottom up, calling for the initial introduction of the new Latin alphabet in the elementary schools within the shortest possible time.

In general, all the adherents of the introduction of the new Latin alphabet have no objection to the inclusion of any new letters that may be required by Turko-Tatar phonetics.

There is likewise much diversity of tendencies among the learned Turko-Tatars with regard to the question of introducing new words and locutions for the general use of all the Turko-Tatar peoples. There is the so-called conservative group, which advocates the introduction of Arabic and Persian expressions into the Turko-Tatar language. Then there are those (principally in Turkey and Azerbaijan) who desire to introduce Greco-Latin terms. Finally, there is the group which proposes the introduction of Turko-Tatar terms into the Turko-Tatar languages through the formation of compound words from the roots of the mother tongue, barbarisms to be adopted only in exceptional cases. They propose to subject to Turko-Tatar phonetics and grammar those foreign expressions already existing in the Turko-Tatar languages. This tendency is highly democratic, since it does not cut off the literary language from the popular speech.

American Makes Gift to Soviet Academy of Sciences

During the month of January the Academy of Sciences of the Soviet Union received from an unknown American citizen two hundred lantern slides of astronomical photographs taken by the famous Mount Wilson Observatory in California, together with photographs showing the spectra of different stars.

New Ethnographic Map of Siberia

The Academy of Sciences of the Soviet Union has prepared the first accurate map of the distribution of tribes and races on the territory of Siberia. This map is drafted on the basis of data obtained by the numerous expeditions which have studied this question in recent years. It has been established that Siberia is inhabited by more than one hundred peoples.

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

Miscellaneous News

Administrative Nominations

On January 29, 1926, the Presidium of the Central Executive Committee of the Soviet Union decided to appoint Mr. N. P. Briukhanov People's Commissar for Finances of the Soviet Union. After the resignation of Mr. Sokolnikov, People's Commissar for Finances (which occurred in the beginning of January), Mr. Briukhanov was nominated Temporary Head of the People's Commissariat for Finances.

In the beginning of February the Presidium of the Central Executive Committee of the Soviet Union adopted a decision appointing Mr. V. V. Ossinsky Director of the Central Statistical Administration of the Soviet Union. By virtue of the same decision the office of Director of the Central Statistical Administration carries with it regular membership in the Council of People's Commissars of the Soviet Union.

Marriages and Divorces in Moscow

During the year 1914 there were 9,670 marriages contracted in the city of Moscow.

After the November Revolution the number of marriages in the Capital began to increase rapidly, reaching its highest point in 1923 with a total of 25,342. In 1924, however, despite the material growth of the city's population (a rise of over 100,000), the number of marriages underwent a slight loss, a total of 25,137 having been recorded for the year. From January 1, 1925, to October 1 of the same year 18,017 marriages were concluded in Moscow. The monthly tabulation shows that most of the marriages were contracted in February, May and September.

During the first half of 1925 the divorces obtained through court trials in Moscow amounted to 3,653, while those arranged through mutual agreement totaled 1,377. The number of divorce petitions filed by men was approximately equal to that filed by women. For the most part, the men divorce before the age of 25, while the women divorce between the ages of 25 and 35 according to the statistics. The greatest number of divorces occurred during the months of September and May.

Uraninite Ore in Karelia

The Geochemical Laboratory of the Academy of Sciences of the Soviet Union has made an analysis of the uraninite, or pitchblende, ore, deposits of which were discovered not long ago in Karelia in the Shar-Ozero and Sinyaya Pala region.

The analysis showed that this ore contained up to 66 per cent of uranium and up to 18 per cent of lead.

New Gold Deposits Discovered

In Kamchatka rich gold placer mines have been revealed about seventy miles up the Belaya River. The finding of several platinum nuggets in this area indicates the presence of deposits of this precious metal.

The Geological Committee has investigated a group of abandoned gold deposits between Miyas River and Kremenkul Lake about seven kilometers from Cheliabinsk and has established the fact that along a distance of five or six kilometers there are more than thirty large gold veins ranging from 60 to 300 meters in length.

Large Kaolin Deposits Discovered

The Silicate Trust is conducting a survey of the large deposits of kaolin recently discovered in the Pervomaisk district in southwestern Ukraine.

Ship Salvaging in the Soviet Union

During the World War and civil conflict many naval and merchant vessels were sunk along the Black Sea coast. In order to float these foundered ships an Expedition for Special Sea Salvage Work, termed the "Epron" in accordance with the initial letters in its Russian title, was formed in December, 1923.

In the course of two years of activity the "Epron" has brought up the submarine "Pelican," the 10,000-ton tanker "Elborus," the mine-layer "California," and a number of smaller vessels. At the same time valuable cargoes were brought up from sunken vessels. The expedition also carried on work for the location and investigation of ships sunk during the Crimean campaign of 1856. The "Black Prince" was identified among these.

Notable among the technical achievements of the expeditions is the invention of the Danilchenko deep-water diving bell, which makes it possible to work at the record depth of 218 meters. There is room for three or four men in the apparatus.

The Expedition for Special Sea Salvage Work ("Epron") is continuing its activity.

Soviet Islands in Arctic Ocean Renamed

Some of the Arctic islands belonging to the Soviet Union were recently renamed.

The island hitherto known as Nicholas II Land is now called Severnaya Zemlya (i. e., Northern Land), while the former Tsarevich Alexey Island will henceforth be known as Maly Taimyr.

The island discovered during the year 1922 in Gydayamo Gulf has been named Shokalsky Island.

The existing names have been retained for Wrangel Island and Starokadomsky Island.

Condition of Winter Sowings

A report on the condition of the winter sowings of 1925 (prospective harvest of 1926) was presented toward the end of January before a session of the Agricultural Section of the State Planning Commission by the acting head of the Central Statistical Department.

This report showed that the total area sown to winter crops throughout the Soviet Union is approximately 0.6 per cent larger than the corresponding aggregate for the previous year.

On the basis of five points for the maximum crop, the condition of the winter sowings for the Soviet Union as a whole at the end of the vegetative season was estimated at 3.6 points, as against 3.1 points at the same period of the previous year.

Soviet Botanical Expedition in Mexico

The work of the Soviet botanical expedition which has been sent to Mexico under the direction of Professor Voronov, is developing quite successfully.

The expedition has already collected more than two hundred varieties of seeds of herbs, bean plants, nuts and fruits that have not been produced in the Soviet Union up to the present time. All the collected samples will be transmitted to the Soviet Union Institute of Applied Botany, which will grow them on an experimental farm to determine the sorts best adapted to cultivation in the Soviet Union.

The expedition has agreed with the Mexican Forestry Institute to send two Mexicans to the Soviet Union to study forestry, and in exchange two Russian foresters will be sent to Mexico for the same purpose.

The Mexican Government is negotiating with zoological organizations of the Soviet Union to bring about an exchange of live specimens for zoological gardens. Recently twelve varieties of Mexican chameleons were forwarded to the Moscow Zoological Gardens.

Non-Partisan Jewish Conference in Kiev

The Fourth Non-Partisan Jewish Conference, held at Kiev during the month of December, 1925, was attended by 650 delegates representing 15,000 Jews of that city.

The reports presented brought out the fact that recently certain progress has been made in improving the situation of those Jews who had fallen into distressing circumstances as the result of changes in the social order. During the past two years over 20,000 Jews have been settled on the land.

At present in the Ukraine there are 10 Jewish rural Soviets, 20 courts conducted in the Jewish

tongue, and 500 cultural and educational institutions for Jews.

German Chess Master on New Russia

In its issue of January 7, 1926, the "Economic Life" of Moscow reports that in a recent number of "Das Neue Russland," a magazine published in Berlin, Dr. Emanuel Lasker, the renowned German chess master, gave the following description of the change in the spirit of the people of present-day Russia as compared with the old days:

"During my last visits to Moscow and Leningrad in February of 1924 and in November and December of 1925 I was struck by the change in the spirit of all the people with whom it was my lot to come into contact. The Russia that I knew in 1914 and before was very hospitable, but essentially superficial and unproductive; the people whom I met in the Soviet Union in 1924 and 1925 were also hospitable, but more serious-minded than formerly and fundamentally more productive. Of course, in this connection I have in view not money, but socially significant work and its aims. I was struck by the unparalleled endeavors of the scientists, who should properly be working for the future, but who, under the stress of the demands of the time, are exerting every effort to work for the present. The utilization of material resources, the love of work and responsiveness to the needs of the time determine their entire lives and activities. Such a position is occupied by the scientists of no other country. And as the whole land is full of willing and diligent students, this bountiful sowing of good seed will undoubtedly bring forth a rich harvest of magnificent quality."

Leningrad Public Library Largest in World

Upon his return from an official trip abroad, Mr. Bank, Secretary of the Leningrad Public Library, stated that this institution, which occupied third place before the war after the London and Paris libraries, has advanced to world leadership during the Soviet regime with respect to the number of volumes—4,250,000.

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., will be ready for distribution by about March 20. It contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

RUSSIAN REVIEW

Fifteen Cents

April, 1926

Vol. IV. No. 7-8

Area and Population of the Soviet Union

Natural Resources—Agriculture—Industries

Foreign and Domestic Trade

Foreign Relations—Rights of Foreigners

Transport and Communication

Concessions—Patent Rights—Visas

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The Soviet Union in Figures

THE Union of Soviet Socialist Republics occupies the largest territory of any country in the world, with the exception of the British Empire with all dependencies. The land area is 8,200,000 square miles. The land area of continental United States is less than 3,000,000 square miles.

The population of the U. S. S. R. as of January 1, 1925, was estimated at 138,781,150. Under the census of 1920 the population was 131,000,000.

The density of population of the U. S. S. R. is 16.4 persons per square mile.

Owing to transfers of heavily populated territories to Poland, Finland and the border States at the close of the war, the present territory of the Soviet Union is 93 per cent of that of the former Tsarist Empire; the population is 76 per cent of that of the former Empire.

The Union of Soviet Socialist Republics, as established by the Treaty of Union, July 6, 1923, was composed of four constituent republics:

1. The Russian Socialist Federal Soviet Republic (R. S. F. S. R.); Capital: Moscow. Moscow is also the Federal Capital of the Soviet Union.

2. The Ukrainian Soviet Socialist Republic; Capital: Kharkov.

3. The Transcaucasian Socialist Federal Soviet Republic; Capital: Tiflis.

4. The White Russian Soviet Socialist Republic; Capital: Minsk.

To these the following were added during 1925:

1. The Turkoman Soviet Socialist Republic; Capital: Poltoratsk.

2. The Uzbek Soviet Socialist Republic; Capital: Samarkand.

These two republics, in Central Asia, were formerly in the territory of the R. S. F. S. R.

The Transcaucasian Federation of Soviet Socialist Republics, as a Constituent Republic, represents a union of three Soviet Socialist Republics—Armenia (population 921,400; capital Erivan), Azerbaijan (population 2,162,955; capital Baku), and Georgia (population 2,492,800; capital Tiflis)—Azerbaijan having, in its turn as a subdivision, one, and Georgia two autonomous republics. Armenia, Azerbaijan and Georgia are not separately counted in the figures below:

Administrative Units, Area and Population of Constituent Republics

| Constituent Republics | Administrative Subdivisions | | | | Area in Square Kilometers | Number of Inhabitants Total | Number of Inhabitants | |
|--|-----------------------------|------------------|---------|-----------|---------------------------|-----------------------------|-----------------------|-------------|
| | Autonomous Republics | Autonomous Areas | Regions | Provinces | | | Urban | Rural |
| Russian Socialist Federal Soviet Republic..... | 10 | 13 | 3 | 44 | 19,683,000 | 95,787,942 | 15,237,900 | 80,550,042 |
| White Russian Soviet Socialist Republic..... | — | — | — | — | 109,800 | 4,454,673 | 679,000 | 3,775,673 |
| Ukrainian Soviet Socialist Republic..... | 1 | — | — | — | 429,700 | 27,243,222 | 5,062,000 | 22,181,222 |
| Transcaucasian Federation of Soviet Socialist Republics..... | 3 | 2 | — | — | 193,000 | 5,577,155 | 1,150,900 | 4,426,255 |
| Turkoman Soviet Socialist Republic..... | — | — | — | — | 473,000 | 914,558 | 109,000 | 805,558 |
| Uzbek Soviet Socialist Republic..... | 1 | — | — | 7 | 322,000 | 4,803,600 | 741,000 | 4,062,600 |
| Union of Soviet Socialist Republics..... | 15 | 15 | 3 | 51 | 21,210,500 | 138,781,150 | 22,979,800 | 115,801,350 |

The ten Autonomous Soviet Socialist Republics in the R. S. F. S. R., with their capitals and total populations, are as follows:

| Republic | Population | Capital City |
|---------------------|------------|---------------|
| Bashkir | 2,440,299 | Ufa |
| Buryat-Mongol | 454,797 | Verkhneudinsk |
| Chuvash | 896,926 | Cheboksary |
| Crimean | 592,926 | Simferopol |
| Daghestan | 824,212 | Makhach-Kala |
| German-Volga | 527,042 | Pokrovsk |
| Karelian | 245,683 | Petrozavodsk |
| Kazak | 5,382,000 | Kzyl-Orda |
| Tatar | 2,818,039 | Kazan |
| Yakut | 286,097 | Yakutsk |

The thirteen Autonomous Areas in the R. S. F. S. R.,

with the principal city and total population of each, follow:

| | | |
|---------------------------|---------|-----------------|
| Adigheh-Circassian | 111,701 | Krasnodar |
| Votyak | 695,826 | Izhevsk |
| Chechen | 361,792 | Grozny |
| Ingush | 68,801 | Vladikavkaz |
| Kabardian-Balkar | 181,504 | Nalchik |
| Kalmuck | 127,019 | Astrakhan |
| Karachai-Circassian | 148,322 | Batalpashinsk |
| Kara-Kalpak | 170,200 | Turtkul |
| Kirghiz | 731,451 | Pishpek |
| Komi | 207,197 | Ust-Sysolsk |
| Mari | 466,913 | Krasnokokshaisk |
| North-Ossetian | 150,881 | Vladikavkaz |
| Oirad | 77,529 | Ulala |

The three Regions ("Oblast" or "Krai") included in the R. S. F. S. R., each with the principal city and total population, follow:

| | | |
|-----------------------|-----------|------------------|
| Ural | 6,312,000 | Sverdlovsk |
| North Caucasian | 7,500,470 | Rostov-on-Don |
| Siberian | 6,868,055 | Novo-Nikolayevsk |

The North Caucasian Region includes six of the autonomous areas in the R. S. F. S. R. and the Siberian Region includes one autonomous area.

The Autonomous S. S. R., in the Ukrainian S. S. R. follows:

| | | |
|-----------------|---------|-------|
| Moldavian | 454,673 | Balta |
|-----------------|---------|-------|

The three Autonomous Republics in the Transcaucasian Federation follow:

| | | |
|-------------------|--------|-------------|
| Nakhichevan | 78,950 | Nakhichevan |
| Abkhasian ..... | ..... | Sukhum |
| Adjar ..... | ..... | Batum |

The two Autonomous areas in the Transcaucasian Federation are:

| | | |
|-------------------------|---------|-------------|
| Mountain Karabakh | 157,807 | Stepanakert |
| South Ossetian ..... | ..... | Tskhinvaly |

The Autonomous Republic in the Uzbek S. S. R. follows:

| | | |
|--------------|---------|----------|
| Tadjik | 745,200 | Dushambe |
|--------------|---------|----------|

The divisions and subdivisions among the Constituent Republics of the U. S. S. R. correspond to racial or geographical demarkations. The autonomous republics and areas enjoy the greatest degree of self-government within their domestic spheres. Each has control over its own school system. Each of the more than thirty nationalities within the Soviet Union has complete freedom to use its own language in written or spoken form, including its use in the courts and schools, and to develop its own peculiar social usages. Compulsory Russification ended with the formation of the Soviet State.

Each constituent republic retains the right of free withdrawal from the Union.

Every citizen of the U. S. S. R. is completely free to conform to any religion or sect, or to none.

Ownership of all land and natural resources rests with the State in trust for all the people. Otherwise private property is recognized in the Civil Code.

The population of Moscow, the capital of the U. S. S. R. on January 1, 1926, was 1,900,000 as compared with 1,617,700 in 1912. On the same date the population of Leningrad was 1,420,000 as compared with 2,000,000 in 1912. Other cities with populations of over 200,000 by the urban census of 1923 were: Kiev, 432,734; Odessa, 316,762; Kharkov, 310,264; Tashkent, 263,871; Baku, 244,852; Rostov, 236,421; Tiflis, 233,958.

GOVERNMENT

The basis of representation in the Soviet Union is occupational rather than geographical. The Soviets, which are councils of delegates of hand-workers and brain-workers, are designed to represent directly the productive life of the country.

Each village elects its local Soviet, which selects an executive committee that exercises administrative powers. Delegates from the various village Soviets in a township (Volost) assemble in a township Soviet and the various township Soviets in a province (Gubernia) send delegates to a provincial Soviet.

In the towns or cities delegates from the various productive groups of the community assemble in the town or city Soviet.

In this fashion, from the original local or occupational unit, the Soviets pyramid up to the Congresses of Soviets

representing the larger administrative divisions, the autonomous republics and areas, the constituent republics, and the entire Soviet Union.

The supreme organ of authority is the All-Union Congress of Soviets. This is composed of representatives of town and township Soviets, and of provincial Congresses of Soviets.

During the interval between the All-Union Congresses of Soviets, the supreme authority devolves upon the Central Executive Committee, consisting of the Council of the Union and the Council of Nationalities.

The Council of the Union is elected by the Congress from representatives of the six constituent republics, in proportion to their population, in all to a total of 450 members.

The Council of Nationalities is formed of representatives of the Constituent and Autonomous Republics, five delegates from each, and of representatives of autonomous areas, one delegate from each, in all 131 members.

The Central Executive Committee meets four times a year, the Congress of Soviets once a year, if no extraordinary session is called.

During the interval between sessions of the Central Executive Committee, the Presidium of the Committee is the supreme legislative, executive, and administrative organ of authority.

The Council of People's Commissars is the executive and directive organ of the Central Executive Committee. Members of the Council are elected for one year. The following members of this executive cabinet were serving January 31, 1926:

Chairman: A. I. Rykov.

Vice-Chairmen: A. D. Tsiurupa, J. E. Rudzutak and V. V. Kuybyshev.

People's Commissar for Foreign Affairs: G. V. Tchitcherin.

People's Commissar for Army and Navy: K. E. Voroshilov.

People's Commissar for Transport: J. E. Rudzutak.

People's Commissar for Posts and Telegraphs: I. N. Smirnov.

People's Commissar for Workers' and Peasants' Inspection: V. V. Kuybyshev.

Chairman Supreme Economic Council: F. M. Djerzhinsky.

People's Commissar for Labor: V. V. Schmidt.

People's Commissar for Trade and Commerce: L. B. Kamenev.

People's Commissar for Finances: N. P. Briukhanov.

On the same date the Presidium of the Central Executive Committee had the following six Chairmen: M. I. Kalinin, G. I. Petrovsky, A. G. Cherviakov, Gazanfar Mussabekov, Netyrbay Aitakov, and Faizulla Khodzhayev. A. S. Enukidze was Secretary of the Central Executive Committee.

In the Soviet administrative scheme, the People's Commissariats are divided into three categories: Commissariats of the whole Union alone; Commissariats which form part of the administrative scheme of the Constituent Republics, as well as of the Federal Government; Commissariats which appear in the Constituent Republics alone.

Commissariats of the whole Union alone are: Foreign Affairs, Army and Navy, Transport, Posts and Telegraphs, Trade and Commerce. The divisions of Trade and Commerce dealing with internal trade are also in the Constituent Republics.

Commissariats in both the Federal Government and the Governments of the Constituent Republics are:

Supreme Economic Council, Labor, Finance, Workers' and Peasants' Inspection.

Commissariats of the Constituent Republics only: Ag-

riculture, Internal Affairs, Justice, Education, Health, Social Welfare.

The Supreme Court of the Union, attached to the Central Executive Committee, includes in its functions the following:

To give the Supreme Courts in the Constituent Republics guiding interpretations on federal legislation.

To render to the Central Executive Committee opinions on decisions of the Supreme Courts of the Constituent Republics which may seem in contradiction to the general legislation of the Union, or to affect the interests of the other republics.

To give opinions, on demand of the Central Executive Committee, on the constitutionality of legislation of the Constituent Republics.

To decide legal conflicts between the Constituent Republics.

To examine cases of accusation against high officials of the Union.

A pyramidal representative form, similar to that adopted for the entire Union, with local and town Soviets as the base, obtains in each of the six Constituent Republics and in the autonomous republics and areas.

During the period of civil war and foreign intervention the local administration of justice was largely in the hands of Revolutionary Tribunals and Special Tribunals. The Extraordinary Commission for Combatting Counter-Revolution (Cheka), which was abolished at the close of 1922, had extraordinary jurisdiction in important offenses against public order.

The permanent judicial system was established January 1, 1923. It includes People's (District) Courts of both civil and criminal jurisdiction, Provincial Courts of Second Instance, Supreme Courts of the Constituent Republics, and the Supreme Court of the Union, sub-divided into various courts of special jurisdiction. There are also special Labor Courts, which may be the local People's Court sitting in special session for labor cases. A Civil Code, a Criminal Code, a Land Code and a Labor Code, and Codes of Civil and Criminal Procedure, were adopted in November, 1922. The Code of Civil Status, defining marriage, family and guardianship rights, comes down from 1918.

NATURAL RESOURCES

In the value of its natural resources the Soviet Union stands first among all countries.

Water Power.—The undeveloped hydraulic resources are estimated at upwards of 65,000,000 horse power.

Coal.—During the late nineties, as a result of extensive surveys made under the auspices of the Government, geologists estimated the total coal reserves of the Empire at 465 billion metric tons. Data published in 1925 by the Geological Committee estimated the "known coal reserves" of the Soviet Union at 334 billion metric tons. The principal fields are the Kuznets Basin in Siberia, 250 billion tons; the Donetz Basin, 60 billion tons; the North Caucasus region, 8,190 million tons; the Moscow Basin, 8,000 million tons.

Oil.—The oil resources of the Soviet Union are greater than those of any other country. Though extensive surveys have been made it is impossible adequately to estimate the oil reserves, even in such thoroughly explored fields as Baku and Grozny. For Baku alone the estimates vary from 300 million tons to 900 million tons. The Baku and Grozny fields, and those of the Emba-Ural district, have been the most productive in the Soviet Union. Oil is also in the Maikop district, in the Province of Kuban, at the western end of the Caucasus, at Tcheleken Island in the Caspian Sea, in the Ferghana district in Turkestan, and on Sakhalin Island in the Pacific, as well as in other parts of the Soviet Union, both in Europe and Siberia.

Timber.—The forest area of the Soviet Union covers about 3,150 million acres, about three times the forest area of the United States and Canada together. Immense areas are covered with high-grade varieties of cedar, fir, oak, pine, spruce, etc.

Metals.—The iron ore deposits in the Krivoi-Rog district of the Don region are estimated at 200 million metric tons, while the iron ore in other surveyed portions of the Kerch Peninsula is estimated at one billion tons. The reserves of iron ore in the Urals have been estimated by conservative geologists at 500 million tons. In the central sections of the European portion of the Union iron reserves are upwards of a billion tons, and there are great unsurveyed storages in Siberia. In explored districts in Siberia the reserves of iron ore are estimated at 73,000,000 tons, including 30,000,000 tons in the Telbes district of the Kuznets basin. During 1925 extensive surveys of the broad area of the Kursk magnetic anomaly were completed. Observations were made at 15,000 points. The reserves of pure iron were estimated at from 18 to 20 billion metric tons, enough to supply the country for hundreds of years.

Manganese deposits in Chiaturi alone are estimated by geologists at 250 million tons. Similarly large reserves are also found at Nikopol. Other deposits are at Krivoi Rog, the Crimea and Maikop.

Rich copper deposits are found in the Urals, the Caucasus, the Don Basin and various parts of Siberia. Research work in connection with the main copper deposits of the Urals shows reserves of upwards of 37 million tons of copper ore, and the whole reserves of the Urals are estimated at 85 million tons.

Great deposits of gold occur in several portions of Siberia. The auriferous area of the Aldan fields alone has been shown in recent surveys to cover nearly 1,000 square miles. Thus far the gold resources of the Soviet Union have been exploited only to a small extent. The gold mineral reserves within the localities where operations already exist are estimated at a minimum of 9,900,000 pounds avoirdupois.

Before the war the platinum deposits of the Urals gave Russia virtually a monopoly in the production of that metal. The industry was paralyzed by the war. It is now gradually being restored.

The Soviet Union also contains large deposits of silver and lead ores, pyrites, graphite, phosphate rock, chromic ores, sulphur, salt, asphalt, asbestos, mica, zinc. Deposits of high grade uraninite, from which radium is procured, were discovered in the summer of 1925 on the western shore of the White Sea by a geological expedition of the Russian Academy of Sciences. Surveys being made by scientists under the auspices of the Academy in many remote places are gradually affording a more comprehensive idea of the natural resources of the country than obtained under the old regime.

Fish.—The resources in fish in the waters in and about the Soviet Union are enormous, and the fish are of the greatest variety.

AGRICULTURE

The immense area of the Soviet Union includes great diversities of climate and soil. In places in the northern part of Siberia the annual mean temperature is one degree above zero, while in parts of Central Asia it is almost tropical.

Ownership of all land rests with the State as a trust for the whole people. Every citizen is entitled to secure land for cultivation. The form of tenure for the cultivator is that of perpetual lease of the surface, for use. There are no private titles. No person may hold land out of use. In the European sections from 96 to 99 per cent of the arable land is in the hands of the peasants for use.

Upwards of 90 per cent of the people live by agriculture.

Sown Area.—The sown area in 1925 was about 225,000,000 acres. This compares with 245,500,000 acres in 1913, in the present territory of the Soviet Union. The area sown to grain in this territory in different years is as follows, in thousands of acres:

| | |
|------------|---------|
| 1913 | 215,659 |
| 1922 | 117,674 |
| 1924 | 177,579 |
| 1925 | 194,400 |

Grain Crops.—The gross grain crops within the present territory of the Soviet Union in different years are as follows, in millions of bushels:

| | 1922 | 1924 | 1925 |
|--------------------|--------------|--------------|--------------|
| Rye | 786 | 663 | 774 |
| Wheat | 326 | 334 | 633 |
| Oats | 570 | 483 | 658 |
| Barley | 186 | 153 | 287 |
| Buckwheat | 64 | 53 | 62 |
| Millet | 168 | 71 | 140 |
| Corn | 108 | 69 | 178 |
| Total | 2,208 | 1,826 | 2,732 |

Pre-war production in the present territory of the Soviet Union was about 3,200 million bushels. (In the Russian originals of the above tables the figures are given in poods of 36 English pounds each. These pood figures are converted into pounds and then into bushels by applying the standard bushel weights for different grains used by the U. S. Department of Agriculture.)

Technical Crops.—The income derived from the so-called technical crops in the Soviet Union is about one-third that derived from the grain crops. The area planted to these crops, in different years, in thousands of acres, is as follows:

| | 1913 | 1922 | 1924 | 1925 |
|----------------------|---------------|---------------|---------------|---------------------------|
| Potatoes | 6,938 | 8,338 | 10,556 | 11,257 |
| Sugar Beets | 1,890 | 456 | 842 | 1,193 |
| Flax | 2,774 | 1,134 | 2,994 | 3,676 |
| Hemp | 1,755 | 364 | 1,796 | 2,083 |
| Sunflower Seed | 2,205 | 3,989 | 5,696 | 6,759 |
| Tobacco | 151 | 13 | 95 | — |
| Cotton | 2,119 | 140 | 1,229 | 1,629 |
| Total..... | 17,832 | 14,434 | 23,208 | 26,597¹ |

In the above table, figures for 1925 for potatoes, flax, hemp and sunflower seed do not include Turkestan and Transcaucasia.

The yield of the technical crops, for different years, in thousands of metric tons, is as follows:

| | 1913 | 1924 | 1925 |
|---|---------------------|--------|--------|
| (Russian Empire) | | | |
| Potatoes | 20,262 ² | 30,153 | 44,281 |
| Sugar Beets | 10,230 | 2,997 | 6,916 |
| Flax (fibre) | 418 | 244 | 404 |
| Hemp (fibre) | 351 | 308 | 449 |
| Vegetable Oil Seeds..... | 1,656 | 2,131 | 4,262 |
| Cotton, ginned, in thousands of bales of 500 lbs. | 953 ³ | 521 | 906 |

At the time of going to press no certain figures on tobacco had been received.

¹ Not including acreage of tobacco, for which no figures were received.

² The figure for potatoes is for 1916.

³ Five-year pre-war average.

Livestock.—Livestock in the Soviet Union increased rapidly during 1925 and except for horses and hogs the total stands well above the figure for 1916, when the livestock figure for Russia reached its high peak. In the summer of 1925 there were 4,000,000 more sheep in the Soviet Union than in 1916, and 12,000,000 more than in 1913, but the quality was poorer. During 1925 energetic efforts were made to improve the quality of sheep by importations of high-grade stock from abroad. Rambouillet stock to the value of \$250,000 was purchased in the United States, and other purchases were made in Canada and England.

Statistics of livestock follow:

| | 1925 | 1924 | 1916 |
|----------------------|------------|------------|------------|
| Horses | 25,121,200 | 23,854,200 | 31,400,000 |
| Cattle | 53,779,300 | 51,420,300 | 50,400,000 |
| Sheep and Goats..... | 87,767,600 | 78,439,600 | 84,500,000 |
| Hogs | 17,230,400 | 17,671,400 | 19,500,000 |
| Camels | 730,800 | 689,400 | — |

Collective Farms.—Before the war there were virtually no collective farms in Russia. In 1925 there were 20,000 collective farms in the Soviet Union. They had about 3,000,000 acres of land and included 1,200,000 persons. The rise of the collective farm is shown as follows:

| Year | Number of Farms |
|------------|-----------------|
| 1918 | 900 |
| 1920 | 10,500 |
| 1922 | 11,800 |
| 1924 | 13,900 |
| 1925 | 20,000 |

Soviet Farms.—In September, 1925, there were 939 Soviet farms—i. e., farms operated by the State—embracing 1,316 agricultural units, in the trust system in which such farms are organized. The average area of the Soviet farms was 3,097 acres. They had 25,325 draft horses and 3,000 tractor units.

Tractors.—Before the war there were less than 500 tractors in the whole Tsarist Empire. In the spring of 1925 about 5,000 tractors took part in the plowing, and at harvest time 12,500 were in use. Most of them had been imported from the United States during the previous year. During the current fiscal year 22,000 more tractors will be added to those in use. In addition to the imported tractors, home production has been organized at Moscow and Leningrad. A single order for 10,000 Fordson tractors was placed in New York in December, 1925.

Radio for Peasants.—The radio is being used extensively to spread the most modern ideas of farming among the peasants. Village reading rooms everywhere are rapidly being equipped with loud speakers. Lectures by agronomists from the agricultural colleges and by practical farmers are broadcasted.

INDUSTRY

The World War and the civil struggles and invasions left the industries of the Soviet Republic in a state of paralysis. Basic machinery worth billions of dollars had been destroyed, in many cases the technical and working personnel had been scattered. The heavy key industries had suffered particularly. The railroads were completely demoralized. The rolling stock was depleted, 1,250 miles of roadbed had been destroyed, and 3,672 railway bridges with a total length of 48 miles were in ruins. The currency of the country was almost worthless. The first necessity was to restore the railways to a workable basis, and for this the gold reserve had to be drawn upon to purchase rolling stock and supplies from abroad. Efforts were then concentrated successively to rehabilitate the most vital industries. The restoration of the currency to

a gold basis in the spring of 1924 greatly assisted the progress of economic recovery.

In the autumn of 1921 industrial production stood at less than 15 per cent of the 1913 output. During September, 1925, production had advanced to 82 per cent of the monthly rate for 1913. This recovery was effected wholly from within, without the aid of a single foreign loan.

Industry is conducted largely by State trusts, operating as autonomous units for production, and held responsible by the Government, through the Supreme Economic Council, for results in economy, efficiency, development and profits. There may be several of these trusts operating in a single industry, divided according to geographic or other reasons. Certain trusts may also be responsible only in the Constituent Republic in which they operate. For marketing purposes and for the purchase of raw material and equipment, each individual industry is organized in a syndicate, in which the producing trusts have representation.

Private interests are free to enter the industrial field. Any citizen may start without formality a private enterprise employing not over 20 workers and clerks. Private enterprises employing over 20 persons and not over 100 persons may be opened with the permission of the local authorities. For larger enterprises a special leasing or concession agreement is necessary.

Private concessions for developing the natural resources of the country are operated under leases for a limited period of years (see section under Concessions). Numerous productive enterprises are conducted by cooperative organizations.

The transportation lines (railways, air lines, etc.) are conducted directly by the Government through the Commissariat for Transport. Posts, telephone and telegraph lines and radio transmitting stations are conducted directly by the Government through the Commissariat for Posts and Telegraphs.

The following percentage figures of the State Planning Commission illustrate the rise of industrial production in the Soviet Union during the past few years:

| Fiscal Year | Percentage of 1913 Production |
|------------------|-------------------------------|
| 1921-2 | 17 |
| 1922-3 | 37 |
| 1923-4 | 46 |
| 1924-5 | 72 |
| 1925-6 (program) | 98 |

Oil.—For purposes of production the oil industry is mainly conducted by three State Trusts, operating respectively in the fields of Baku, Grozny and Emba. The Oil Syndicate, in which the three trusts have representation, handles the marketing. Before the war the Russian oil industry was hampered materially by uneconomic methods and the clashes of small economic units. Labor conditions were bad and early in the century a series of strikes crippled production. The nationalization of the fields under the new regime brought to the industry cohesion and a rational plan of development, incidentally making possible large economies of operation. Since nationalization the industry has been developed conservatively for the future, rather than for snap profits, and substantial technical improvements have been effected. During the fiscal year 1924-25 machinery worth \$3,000,000 was imported from the United States. During the year \$36,650,000 was spent for restoration and expansion in the fields, and during 1925-26 \$58,600,000 will be expended for this purpose. Production during 1924-25 was nearly 80 per cent of that of 1913. By 1930 it is planned to increase production to 17,000,000 metric tons, or 185 per cent of the output for 1913. The steady rise of production is shown in the following table:

| Year | Metric tons |
|-----------------------|-------------|
| 1913 | 9,215,911 |
| 1920 | 3,893,000 |
| 1922-23 (fiscal year) | 5,275,430 |
| 1923-24 (fiscal year) | 6,067,924 |
| 1924-25 (fiscal year) | 6,950,000 |

Production in 1924-25 showed an increase of 13 per cent over 1923-24. For the current fiscal year the production plan calls for an additional increase of 25 per cent over 1924-25. New drillings for the past year were 590,700 feet, an increase of nearly 50 per cent over the previous year. Of the drilling, 54 per cent in the Baku fields was done by rotary drills. Production from deep pumps was increased four-fold, to 41 per cent of the total. Seven-tenths of the entire non-gusher production was from electrified wells.

Oil exports for 1924-25 broke all records, being 44 per cent greater than those for 1913. The rise of exports is shown in the following table:

| Year | Metric tons |
|-----------------------|-------------|
| 1913 | 914,082 |
| 1922-23 (fiscal year) | 809,716 |
| 1923-24 (fiscal year) | 723,176 |
| 1924-25 (fiscal year) | 1,316,000 |

During the past year exports of fuel oil were four times the 1913 figure, and of gasoline nearly double.

While production for the year 1924-25 increased 13 per cent, the average number of workers employed, 60,838, decreased 5 per cent. Labor efficiency, aided by the new mechanical installations, increased 15 per cent.

Coal.—The Russian coal industry is concentrated principally in the Don Basin, which, before the war, furnished 90 per cent of the supply, and at present furnishes 75 per cent. Fields are also exploited in the Ural Region, Moscow Province, Kuznets (Siberia), Suchan (Far East), Transcaucasia and other districts.

Output for different years, in thousands of metric tons:

| Year | Thousands of Tons | Percentage of 1913 |
|-------------------|-------------------|--------------------|
| 1913 | 28,356 | 100.0 |
| 1920 | 8,193 | 28.8 |
| 1921-22 | 9,935 | 35.0 |
| 1922-23 | 12,132 | 42.7 |
| 1923-24 | 15,952 | 56.2 |
| 1924-25 | 16,107 | 56.8 |
| 1925-26 (program) | 24,705 | 87.0 |

Exports in quantity were not resumed until the fiscal year 1924-25, when 246,000 tons were exported to Italy, the Near East, Manchuria and China. The figure is 36,000 tons greater than the total exports for 1912.

The next problem of the coal industry of the U. S. S. R. is the intensive mechanization of production. During the fiscal year 1924-25 about \$10,000,000 was spent on restoration and mechanization. During the current year \$43,000,000 will be spent. Large expenditures for equipment have been planned in Germany, England and the United States.

Mining—Metal Ores.—The mining industry has been one of the slowest to recover in the Soviet Union, owing to destruction of heavy machinery during the war periods, and to deterioration, etc.

The output of iron ore in the various fields, in thousands of metric tons, follows:

| | 1913 | 1923-24 | 1924-25 | 1925-26 (program) |
|-----------------|-------|---------|---------|-------------------|
| Krivoi Rog | 6,360 | 437 | 1,240 | 2,700 |
| Ural | 1,802 | 465 | 760 | 1,328 |
| Other districts | 527 | 40 | 50 | 83 |
| Total | 8,689 | 942 | 2,050 | 4,111 |
| Percentage | 100.0 | 10.8 | 23.7 | 47.3 |

Output of manganese ore, in thousands of metric tons, follows:

| | 1913 | 1923-24 | 1924-25 | 1925-26 (program) |
|------------------|-------|---------|---------|----------------------|
| Nikopol | 251 | 100 | 200 | 500 |
| Chiaturi | 970 | 320 | 340 | 500 |
| Total | 1,221 | 420 | 540 | 1,000 |
| Percentage | 100.0 | 34.4 | 45.0 | 83.3 |

Capital expenditures for restoration and new equipment for Krivoi Rog and Nikopol in 1923-24 were \$700,000, for Krivoi Rog, Nikopol and Ural in 1924-25, \$2,350,000, for 1925-26 they will be \$9,500,000.

Under an agreement signed June 13, 1925, the Harri-man Company took over the operation of the Chiaturi manganese fields under a 20-year concession. Extensive improvements are planned, with a view to working up the production to 1,000,000 tons annually. At present about half the manganese exports go to the United States.

Copper mining is still in process of restoration. The three principal fields are the Ural, Transcaucasia, and the Province of Semipalatinsk in Central Asia. Production is advancing rapidly in the Ural fields, and the two other copper districts are being restored. Production in the Ural fields increased 77 per cent in 1924-25 over the previous year. The figures, in metric tons, are as follows:

| | 1923-24 | 1924-25 |
|------------------------------|---------|---------|
| Copper pyrites | 100,217 | 167,004 |
| Cupriferos iron pyrites..... | 8,868 | 26,502 |
| Total | 109,085 | 193,506 |

The production of the Alagir silver-lead-zinc mines for 1925-26 will be brought up to 2,230 metric tons of zinc, 985 metric tons of lead and 3,500 pounds of silver. Much new apparatus has been installed.

During the fiscal year 1924-25, as was also the case in preceding years, the extraction of lead and zinc ores in the Soviet Union was confined to the Sadon mines of the Alagir enterprise (formerly the Caucasian Zinc Company—"Kavtsink"), which now forms part of the State Non-Ferrous Metals Production Industry ("Gospromsvetmet"). The output of lead-zinc ores for 1924-25 amounted to 22,000 metric tons, or three times as much as the total of 7,400 metric tons produced by these mines in 1923-24.

Lead and Zinc smeltings in metric tons follow:

| | 1923-24 | 1924-25 | Percentage Increase |
|------------|---------|---------|------------------------|
| Lead | 642.5 | 968 | 50 |
| Zinc | 516.0 | 1,491 | 190 |

Gold production in the Soviet Union during the past fiscal year is estimated at about 60,000 pounds avoirdupois, valued at nearly \$20,000,000. This is about 40 per cent of the production in the United States and about half of the pre-war production in Russia. About one-fourth of the production was from private mining enterprises.

Early in 1925 the Supreme Economic Council announced that the Government was prepared to increase the production of gold by the expansion of the State mining syndicate, the encouragement of native operators, and the granting of large concessions to foreign corporations. In pursuance of that policy the Lena goldfields were leased for thirty years to an Anglo-American syndicate which is undertaking extensive operations. It was recently estimated that the annual production of gold in Siberia could be increased to the value of from \$150,000,000 to \$200,000,000.

Platinum production before the war was carried on mainly in the Ural mines near Nizhne-Turinsk. The annual output was 27,000 pounds avoirdupois. Production was carried on by unsystematic, wildcat methods with primitive apparatus and the employment of hand labor, chiefly women. The cheap exploitation was exceedingly wasteful. Owing to lack of capital the beginning of the revival of the industry did not occur until 1924. A five-year plan of development has been adopted, which includes no breaking of new deposits, but a careful survey of old placers and a thorough rewashing of the waste piles adjoining former workings. A preliminary estimate of production during the mining season of 1925 fixed the output at 12,600 pounds, of which 1,800 pounds was contributed by independent prospectors.

Mineral salt is found in the Soviet Union in large quantities, in salt lakes, salt wells and rock salt. The Don Basin is the principal producing area. Lake salt is obtained particularly in the Perm and Astrakhan provinces, the Bakhmut and Slavyansk districts. Production, in metric tons, is as follows:

| Year | Output | Per cent |
|------------------------|-----------|----------|
| 1913 | 1,998,420 | 100 |
| 1921-2 | 787,850 | 39 |
| 1923-4 | 1,155,958 | 60 |
| 1924-5 | 1,360,660 | 69 |
| 1925-6 (program) | 1,557,378 | 78 |

Textiles.—The textile industry will attain the rate of pre-war production during the fiscal year 1925-26. The industry as a whole produced at upwards of 70 per cent of the pre-war rate during the year 1924-25. During the current fiscal year \$54,300,000 will be expended for major construction and equipment in the cotton industry, \$9,700,000 in the wool industry and \$4,500,000 in the linen industry. About \$33,000,000 is to be spent abroad on new textile machinery, over half of which had been ordered by November 1, 1925. During the next two or three years new factories to the value of nearly \$70,000,000 will be built, of which nearly half were under construction by December 1, 1925.

The advance in the production of cotton goods is shown in the following table:

| Fiscal Year | Cotton Yarn Worked up Metric Tons | Unfinished Goods Produced Thousands of Meters | Finished Goods Produced Thousands of Meters | Per- cent- age |
|-------------------------|---|---|---|----------------------|
| 1922-23 | 74,396 | 621,300 | 581,400 | 100 |
| 1923-24 | 101,898 | 878,900 | 835,500 | 148 |
| 1924-25 | 186,113 | 1,772,000 | 1,610,000 | 277 |
| 1925-26 (program) | 236,648 | 2,415,500 | 2,170,000 | 374 |

From the above it will be seen that the output has nearly tripled during the past two years.

At the beginning of the current fiscal year the total equipment of the Soviet cotton industry included 7,246,000 spindles and 176,000 textile looms, of which about 6,500,000 spindles and 135,000 looms were in operation.

The growth of woolen production is shown in the following table:

| Fiscal Year | Woolen Yarn Produced Metric Tons | Unfinished Goods Produced Thousands of Meters | Finished Goods Produced Thousands of Meters | Per- cent- age |
|-------------------------|--|---|---|----------------------|
| 1922-23 | 14,563 | 23,900 | 21,800 | 100 |
| 1923-24 | 19,305 | 32,500 | 29,200 | 134 |
| 1924-25 | 27,640 | 46,200 | 44,800 | 206 |
| 1925-26 (program) | 28,700 | 61,000 | 57,700 | 265 |

The output of woollens has more than doubled in the past two years.

Production of linens is as follows:

| | Linen Yarn Thousands of Metric Tons | Fabric Thousands of Square Meters |
|---------------|---|---|
| 1918 | 34,200 | ----- |
| 1922-23 | 33,960 | 98,600 |
| 1923-24 | 39,000 | 114,000 |
| 1924-25 | 50,040 | 144,000 |

Up to the close of 1923 the silk industry was virtually at a standstill. The output in 1923-24 was valued at about \$1,200,000. In 1924-25 it increased to over \$2,000,000, including a gain of 65 per cent in the output of twisted silk and 37 per cent in silk yarn and coarse silk fabrics.

Metal Industry.—The metal industry of the Soviet Union virtually doubled its output in 1924-25 over the previous year. A further increase of 100 per cent is projected during the current fiscal year, the output for which will be close to that of 1913. During the past fiscal year 41 blast furnaces, 107 Martin ovens and 186 rolling mills were operated by the Soviet trusts. The output for various years, in thousands of metric tons, follows:

| | 1913 | 1922-23 | 1923-24 | 1924-25 |
|--------------------|-------|---------|---------|---------|
| Pig Iron | 4,206 | 800 | 661 | 1,804 |
| Martin Steel | 4,247 | 615 | 993 | 1,865 |
| Rolled Iron | 8,509 | 474 | 690 | 1,835 |

Copper smeltings in 1924-25 were 6,790 metric tons, an increase of 135 per cent over the previous year.

Electrotechnical Industry.—Before the war this industry, which was poorly developed, was massed in a small number of plants of considerable size, with inferior technical organization, outfitted with foreign equipment, mostly German. There was considerable expansion during the war. The industry is now consolidated under several State trusts. During the fiscal year 1924-25 production was 111.1 per cent of the output for 1914.

Production in millions of rubles at pre-war prices is as follows:

| Year | Value | Percentage |
|--------|-------|------------|
| 1914 | 56.7 | 100.0 |
| 1916 | 84.0 | 148.2 |
| 1921-2 | 14.9 | 26.3 |
| 1923-4 | 47.8 | 83.4 |
| 1924-5 | 63.0 | 111.1 |

Number of workers, 19,500.

In 1924-25 electrotechnical imports from abroad were valued at \$10,500,000, as compared with \$10,000,000 for 1914.

During 1925-26 the plan for the industry calls for an output of 104.9 million rubles (\$54,000,000) at pre-war prices, or 185 per cent of the pre-war output. Nearly \$11,000,000 will be spent in extensions and reequipment.

Chemical Industry.—The output of the heavy chemical industry, for the first nine months of 1924-25, as compared with the same period in 1923-24, and for nine months of 1912 in the former Russian Empire, in metric tons, is as follows:

| | 1924-25 | 1923-24 | 1912 |
|-----------------------|---------|---------|---------|
| Acids | 122,630 | 99,988 | 162,549 |
| Alkalis | 109,438 | 88,773 | 198,460 |
| Superphosphates | 39,567 | 22,304 | 41,404 |
| Other Salts | 51,444 | 41,727 | 41,158 |

Leather Industry.—Leather dressing is one of the oldest industries in Russia, its products having been exported since the seventeenth century. It is difficult to estimate production before the war, as the official reports did not include the output of the handcraft industry, which

was greater than factory production. It is estimated that in 1913 the number of large skins dressed was 8,432,000, and by 1916 this had increased to 13,375,000.

At present the industry is conducted by 11 large State trusts of Federal scope and 70 smaller provincial cooperative and independent concerns. Production in terms of thousands of large skins follows:

| | 1913 | 1916 | 1921-22 | 1923-24 | 1924-25 |
|-----------------------------|-------|--------|---------|---------|---------|
| Thousands of Skins | 8,432 | 13,375 | 4,055 | 6,120 | 8,124 |
| Percentage - | 100 | 129 | 48.8 | 72.5 | 96.8 |

Shoe production, in thousand of pairs:

| | 1921-22 | 1923-24 | 1924-25 |
|--|---------|---------|---------|
| | 2,989 | 4,057 | 5,952 |

During the operative year 1925-26 the industry will reach approximately pre-war production.

Rubber Industry.—The rubber industry of the Soviet Union is concentrated in the hands of one trust which operates seven factories. In 1913 the value of rubber products manufactured in Russia was \$61,000,000. In 1920 the output fell to less than 6 per cent of that in 1913. By 1923-24 production had advanced to nearly \$16,000,000 at pre-war prices, or 25.8 per cent of the 1913 output, and during 1924-25 it increased to approximately \$32,500,000, or about 53 per cent of the 1913 figure. Production for the current fiscal year will be about 71 per cent of 1913. Technical equipment to the value of \$2,240,000 will be purchased in the United States, England, France and Germany during the current fiscal year.

Glass and China.—Before the war Russia possessed a rather well developed glass industry with 275 plants, employing 75,000 workers, with a yearly turnover of \$33,400,000. Of these plants 178 were working in the present territory of the Soviet Union, the production being valued at \$19,400,000, and 40,800 workers being employed. Within the present territory there were 26 china and crockery factories, employing 19,900 workers with a product valued at \$6,900,000.

The World War and the civil struggles virtually destroyed the industry. In 1920 the output of the glass industry was 3.2 per cent of pre-war, and of the china-crockery industry 4.5 per cent. By 1923-24 production in the glass industry had increased to 30.4 per cent of pre-war and in 1924-25 to 46 per cent. By 1923-24 production in the china-crockery industry had advanced to 41 per cent of pre-war and in 1924-25 to 64.4 per cent.

At present the industry is combined under nine glass trusts, three china trusts, 2 glass-china trusts, and three combination trusts, in all controlling over 100 factories. During the past fiscal year 41,500 workers were employed in glass production and 17,700 in china-crockery.

Paper Industry.—A good part of the plants in the paper industry of the Russian Empire were in territory transferred to the border States as a result of the war. During 1925 the industry was organized under nine producing trusts, conducting 70 mills. The output during different fiscal years, in thousands of metric tons, follows:

| | 1921-22 | 1923-24 | 1924-25 |
|-----------------|---------|---------|---------|
| Paper | 34.7 | 118.0 | 192.5 |
| Cardboard | 2.6 | 12.4 | 17.7 |
| Cellulose | 11.2 | 35.5 | 49.9 |
| Wood Pulp | 14.4 | 44.8 | 52.0 |

The output for 1924-25 was upwards of 95 per cent of the pre-war output in the present territory of the Soviet Union, and 49 per cent of the output in the Russian Empire in 1913.

Imports of paper for the year were 181,200 tons, compared with 43,400 tons in 1923-24 and 157,400 tons in 1918. Newsprint paper formed the bulk of the imports.

During 1924-25 the sum of \$2,800,000 was spent on extensions and equipment, and during the current fiscal year \$11,330,000 will be so expended.

Match Industry.—The rise of the match industry is shown in the following table:

| Year | Number of factories | Number of Workers | Output Cases |
|-------------------|---------------------|-------------------|--------------|
| 1922-23 | 79 | 13,375 | 1,423,470 |
| 1923-24 | 52 | 13,089 | 1,879,257 |
| 1924-25 | 39 | 13,450 | 3,068,264 |
| 1925-26 (program) | | | 3,728,700 |

Before the war (1912) there were 115 factories with an annual output of 4,200,000 cases.

The increased production during the past two years has been due to improvement of equipment, and standardization. Labor productivity during 1924-25 was 95 per cent of the 1912 standard, in spite of the fact that the match factories were working on an 8-hour day instead of the 10-12 hour day that obtained in 1912.

Tobacco Industry.—The output of cigarettes, in millions, is as follows:

| | |
|---------|--------|
| 1918 | 25,888 |
| 1920-21 | 4,343 |
| 1921-22 | 6,664 |
| 1922-23 | 12,508 |
| 1923-24 | 12,862 |
| 1924-25 | 24,000 |

The industry is consolidated under 12 trusts operating 34 factories. In addition there are a few private concerns which produce about 5 per cent of the total output.

Sugar Industry.—A large amount of the best beet-growing territory was lost to Russia as a result of the war. In addition, during the World War and the civil conflicts, many sugar factories were destroyed or severely damaged. The recovery of the industry has been belated, but it is now moving at an accelerated pace, and the good sugar beet crop of 1925 (60 per cent of pre-war) made further imports of sugar unnecessary. The output of white sugar, in metric tons, follows:

| | |
|-------------------|-----------|
| 1910-13 (average) | 1,513,000 |
| 1921 | 64,800 |
| 1922 | 216,000 |
| 1923 | 405,000 |
| 1924 | 491,400 |
| 1925 (estimate) | 820,000 |

During 1925, 118 factories were in operation, including 15 cooperative factories. During 1924-25 the sum of \$9,000,000 was spent for reequipment in the industry and during 1925-26 \$26,000,000 will be spent.

Vegetable Oil Industry.—The output of the oil-pressing industry for the first six months of 1924-25 was 98,000 tons, nearly double the output of the same period of 1923-24.

Cement Industry.—Output for the Soviet fiscal year 1924-25 was 3,960,000 barrels.

Distilled Spirits.—The production of distilled spirits is a government monopoly. In 1924-25 production was 4,600,000 vedros (about 15,330,000 gallons), of which 70 per cent was vodka of 30 per cent alcohol. The government revenue was \$53,000,000. Late in 1925, because of the wide use of bootleg vodka of inferior quality, some of it dangerous to health, the government monopoly was authorized to produce vodka up to the pre-war strength of 40 per cent alcohol.

Asbestos Industry.—The production of asbestos in the Soviet Union is in the hands of the State trust "Uralasbest," which operates three mines. The bulk of production is from the Bazhenovo mines in the former Ekaterinburg Province. The Alapayevsk asbestos mines are operated under concession by the "Allamerico" concession company.

Production has been as follows, in thousands of metric tons:

| | 1913 | 1921-22 | 1923-24 | 1924-25 |
|---------------|------|---------|---------|---------|
| Pure asbestos | 22.5 | 2.9 | 7.9 | 9.8 |
| Percentage | 100. | 13. | 35.1 | 43.5 |

The high peak in export was reached in 1912, with 13,260 tons. During 1924-25 nearly 10,000 tons were exported, partly from accumulated stocks.

Home Craft Industries.—At the beginning of 1925 there were 2,130,000 home craft workers in the Soviet Union. The value of their output in 1923-24 was about \$500,000,000.

Fishing Industry.—The following table shows the total catch of fish for the entire Soviet Union (exclusive of the Far-Eastern Region) from 1921 to the first half of 1925, inclusive:

| Year | Catch in Metric Tons | Percentage of 1921 Total |
|-------------------------|----------------------|--------------------------|
| 1921 | 254,100 | 100 |
| 1922 | 381,100 | 130 |
| 1923 | 318,000 | 125 |
| 1924 | 360,700 | 142 |
| 1925 (first six months) | 288,500 | — |

Timber Industry.—Russia has never been in a position to exploit properly her enormous wealth in timber. The Soviet forests offer a splendid field for the concessionary. Timber exports, which were resumed slowly after 1920, are now rapidly growing. In 1923-24 they amounted to 115,000,000 cubic feet, in 1924-25 to 150,000,000 cubic feet, valued at \$41,000,000, which is half the value of the exports for 1913. England takes over half of the timber export, and other important customers are Holland, Germany and Japan. During the current year a great impetus is being given to the Soviet timber trade. New countries of export include Italy, Greece, Egypt and South Africa.

STATISTICS OF STATE INDUSTRIES

The following table records the increased value of production by the large-scale State industries of the Soviet Union during the fiscal year ending October 1, 1925, as compared with the preceding fiscal year. The value was calculated according to pre-war prices:

Value of Output by Steadily Operating Large State Industries

| Quarter | 1923-24 | 1924-25 | Percentage Increase |
|-----------------------|----------------------|------------------------|---------------------|
| First Quarter | \$182,222,450 | \$235,735,390 | 56.8 |
| Second Quarter | 198,672,580 | 322,503,300 | 62.3 |
| Third Quarter | 200,107,370 | 340,073,555 | 69.9 |
| Fourth Quarter | 218,982,120 | 351,559,085 | 60.5 |
| Total for Year | \$799,984,520 | \$1,299,871,330 | 62.5 |

The aggregate increase in the value of production by the steadily operating major State industries for the elapsed fiscal year 1924-25 over the previous year was accordingly \$499,886,810, representing a rise of 62.5 per cent. This growth must be attributed mainly to more efficient management and higher labor productivity and, in smaller measure, to an augmented working force.

(Continued on page 112)

European Territory of the Soviet Union



The next table shows the changes in the total labor force employed by the continuously running large-scale State industries from quarter to quarter in 1924-25 with the corresponding figures for 1923-24:

Number of Workers Employed at End of Month Indicated

| Month | 1923-24 | 1924-25 | Percentage Increase |
|-----------------|-----------|-----------|---------------------|
| October | 1,236,900 | 1,398,600 | 13.1 |
| January | 1,238,800 | 1,431,800 | 15.6 |
| June | 1,267,600 | 1,544,700 | 21.8 |
| September | 1,380,100 | 1,690,700 | 22.5 |

INTERNAL TRADE

The total internal trade of the Soviet Union for the Soviet fiscal year ending September 30 last was \$13,494,000,000, as compared with \$9,310,000,000 for the fiscal year 1923-24, an increase of 45 per cent. The trade was divided as follows:

| | 1924-25 | 1923-24 |
|---------------------------|-------------------------|------------------------|
| State Trading Enterprises | \$5,552,000,000 | \$3,347,000,000 |
| Cooperatives | 2,714,000,000 | 1,466,000,000 |
| Private Trade | 2,787,000,000 | 2,621,000,000 |
| Peasant Trade | 2,491,000,000 | 1,876,000,000 |
| Total | \$13,494,000,000 | \$9,310,000,000 |

PRICE INDICES OF U. S. S. R.

The following price index figures for the Soviet Union during the past three fiscal years are taken from the November-December, 1925 (No. 11-12), issue of the "Economic Bulletin" published by the Conjunction Institute, i. e., the institute of economic conditions.

The figures given are the average of the index quotations for the first of each month throughout the year in question and are calculated by taking the 1913 price average as 100.

| | 1922-23 | 1923-24 | 1924-25 |
|---|---------|---------|---------|
| National Retail Price Index (compiled by Conjunction Institute) | 139 | 198 | 212 |
| National Wholesale Price Index (compiled by State Planning Commission) | 122 | 170 | 179 |
| National Cost of Living Index (compiled by Central Bureau of Labor Statistics and State Planning Commission) | 146 | 196 | 202 |
| National Price Index of Industrial Commodities (compiled by Conjunction Institute) | 195 | 248 | 230 |
| National Price Index of Agricultural Commodities (compiled by Conjunction Institute) | 97 | 155 | 194 |
| Ratio of Industrial Commodity Index to Agricultural Commodity Index, taking the latter as 100 (compiled by Conjunction Institute) | 201 | 160 | 118 |
| Ratio of Industrial Commodity Index to Agricultural Commodity Index, taking the latter as 100 (compiled by State Planning Commission) | 191 | 160 | 115 |
| Moscow Retail Price Index (compiled by Conjunction Institute) | 151 | 210 | 222 |

TRANSPORTATION

Despite the loss of considerable railway mileage to the border States at the close of the war, the railway mileage of the Soviet Union at the beginning of the fiscal year 1924-25 was 45,000 miles, as compared with 42,500 miles in the Russia of 1913. During the year several hundred miles of new lines were completed, especially in regions rich in minerals and grain in Siberia. Progress was made on the South Siberian trunk line, which will run from Orsk to Barnaul, 1,250 miles.

Freight and passenger traffic far surpassed the expected totals. Freight traffic for the fiscal year 1924-25 was 29,945,355,000 metric ton-miles, an increase of 42 per cent over the previous year. Passenger traffic for the fiscal year aggregated 11,684,000,000 passenger-miles, an increase of 21 per cent. Average freight car loadings increased by 6 per cent, to 9,180 pounds. Average number of freight cars in use was 251,186, an increase of 7 per cent. Passenger cars in operation totaled 10,359, an increase of 17.3 per cent. During the fiscal year 1,449 locomotives were repaired, 73 were imported from abroad, and 177 were built in Soviet factories as compared with 168 in 1923-24. Total good order locomotives in use increased to about 7,000. During 1925-26, 250 new locomotives will be built in Soviet factories.

A beginning was made at electrifying the suburban lines about Moscow and Leningrad, and also the Suram mountain pass section of the Transcaucasian railroad. In all 94 miles are being completed. The general electrification program calls first for the electrification of suburban and mountain lines and eventually for the establishment of electric trunk lines adapted to the transport of trains up to 7,000 tons.

Suburban trains increased by 30 per cent during the fiscal year 1924-25.

The railroads are owned by the government and are run under the direction of the Commissariat for Transport. Net profit from operation in 1924-25 was \$5,665,000.

The pre-war mileage of urban trolley lines was restored by the end of 1924. During 1925 many of the roads increased their mileage and several new cities inaugurated electric car service. The Moscow electric street railways carried 394 million passengers as compared with 281 million in 1923-24 and 257 million in 1913. Motor busses are increasing rapidly in the cities and for interurban use.

Air transport has been extended rapidly between strategic commercial points in the Soviet Union. In August, 1925, the total airplane lines in regular operation totalled 7,187 miles. One airplane line operates between Moscow, Nizhni-Novgorod and Kazan, 570 miles, another between Moscow and Leningrad, 390 miles, another between Khar'kov and Odessa, 360 miles, another between towns in the Crimea. Three lines that now maintain regular communications between points on the Trans-Siberian railway and remote republics in Central Asia carried 558 passengers and had a total air mileage of 84,684 during the first five months of 1925.

Preparations are being made for the opening of a new Yakutsk-Irkutsk air line in Siberia, 1,770 miles, which will connect the Lena and Aldan gold fields with the Siberian railway at Irkutsk. A line is also planned to run from the Siberian railway, near Lake Baikal, to Peking.

During the fiscal year 1924-25 the airplane line of "Deruluft" (Russo-German Aviation Company) carried 1,741 passengers between Moscow and Berlin, and transported 395,900 pounds of goods (including mail). "Deruluft" planes covered 282,600 miles in this service.

MERCHANT FLEET AND PORTS

At the beginning of 1925 the merchant fleet of the Soviet Union consisted of 272 steamships and oil burners, with a freight capacity of 322,016 tons and 365 sailing

vessels with a freight capacity of 84,226 tons, as well as an auxiliary fleet of 925 small vessels.

Early in 1925 a five-year building program was adopted calling for the construction of 228 vessels of various types with a combined dead weight tonnage of 819,240 tons, to cost \$68,000,000. Thirty of these vessels are being built during the fiscal year 1925-26 at a cost of \$10,500,000. In addition eight vessels, including four tankers and four for general service in the Far East are being purchased abroad. The first four vessels in the new building program were launched in Soviet shipyards in October, 1925.

Expansion and mechanization of Soviet ports has made rapid progress. Odessa can now handle 3,000,000 tons of cargo annually. New modern wharves, new grain elevators, new loading machinery were installed at most of the Black Sea ports during 1925. Extensive improvements have been undertaken at both Vladivostok and Leningrad. At the former port \$1,000,000 is being spent on a railway tunnel a mile long to divert freight traffic from Gold Horn Bay to Ulysses Bay. Nine deep-water mooring blocks and a floating dry-dock have been installed at Murmanak.

During the navigation season of 1925 freight transported via the Soviet river system aggregated 22,950,800 metric tons, equivalent to 52 per cent of the pre-war average of 44,262,300 tons.

TELEPHONES, TELEGRAPHS AND RADIO

At the end of 1924 there were 15,017 miles of telephone lines in the Soviet Union, as compared with 9,146 miles in the former Russian Empire at the close of 1913. Telegraph line mileage aggregated 374,529 miles, as compared with 292,349 miles in the present territory of the Soviet Union in 1913. Telephone and telegraph are conducted by the Commissariat for Posts and Telegraphs. They are self-supporting.

Radio is being used increasingly as a means of communication. At the beginning of 1925 about fifty broadcasting stations were operated by the Commissariat for Posts and Telegraphs. Several new provincial stations were built during the year. Six thousand workmen's clubs and 12,000 provincial reading rooms were equipped with receiving stations. Radio newspapers are broadcast from the Moscow station twice daily. Concerts, lectures on scientific and agricultural subjects, and a children's newspaper are features of the radio programs. A small license fee is required for installing receiving sets.

ELECTRIFICATION

In 1917 there were 561 stations furnishing power for general domestic and industrial use. Their total capacity was only 394,000 kilowatts. Plants not engaged in general public service had a total capacity of about a million kilowatts. By 1921, owing to the wars and subsequent destruction and dispersion of the working personnel, the power output had become negligible. Up to the close of 1924-25 the Soviet Government had spent about \$70,000,000 on restoration, and construction of new plants, and the federal budget provides for an additional \$37,000,000 during the current fiscal year. Local and other construction should nearly double this expenditure. By the beginning of 1925 the existing plants had been restored to full capacity of 1,500,000 kilowatts. In addition, by October, 1925, new government stations were providing about 200,000 kilowatts, and various local stations about 50,000 kilowatts more.

The Government plan provides for the erection of 30 new regional stations with a total capacity of 1,500,000 kilowatts. Of these seven were approaching completion December 1, 1925. Seven others were under construction January, 1926. This program will be fully carried out by 1929.

FINANCE

Currency.—The Soviet Union was practically the first country on the continent to resume after the war the issuance of a currency backed by gold and foreign currency reserves. The new gold issues began in the fall of 1922 in the shape of the notes of the State Bank of the U. S. S. R. The notes are issued in a new unit, the "Chervonetz" (plural chervontzi), equivalent to ten gold rubles of former days. The gold chervonetz contains 119.4826 grains of fine gold and is equivalent to \$5.146. The final rehabilitation of the currency was achieved in March, 1924, as the result of vigorous measures which were taken for the sanitation of the State finances. The budget was balanced and the emission of the old depreciated paper rubles to cover the former deficit was discontinued. The old rubles themselves were finally withdrawn from circulation and replaced (at a fractional rate of redemption) by a new treasury ruble issue and silver and copper currency. Since that time the new currency has been maintained at the dollar parity and throughout 1925, both within the Soviet Union and on the foreign exchanges, has generally been quoted at \$.515, i. e., slightly above par.

Currency in circulation November 1, 1925, was 1,246,899,500 rubles (about \$641,654,000), divided as follows:

| Kind of Currency | Amount in Gold Rubles |
|---|-----------------------|
| State bank notes | 719,247,100 |
| Treasury bills | 372,785,800 |
| Silver coin | 141,225,900 |
| Copper coin | 7,175,400 |
| Small change paper tokens (1, 3, and 5 copeks) | 6,465,300 |
| Total | 1,246,899,500 |

The rapid increase in currency circulation is shown in the following table:

| Date | Circulation, in Gold Rubles |
|--------------------|-----------------------------|
| Oct. 1, 1923 | 271,000,000 |
| Oct. 1, 1924 | 622,700,000 |
| Oct. 1, 1925 | 1,142,884,700 |
| Nov. 1, 1925 | 1,246,899,500 |

Banking.—The State Bank of the U. S. S. R. occupies a dominating position in the Soviet banking system.

It was established in November, 1921, and during its first year enjoyed a virtual banking monopoly, but by the end of 1922, with the rapid revival of the economic life of the country, the need for a more diversified credit system made itself felt and the formation of other banks began. In October, 1922, the State Bank was authorized to issue notes in terms of gold chervontzi.

The original capital of the State Bank consisted of a Treasury subvention of two billion paper rubles, which, chiefly by financing exports repayable in foreign currencies and advancing loans redeemable in gold values, the bank succeeded in steadily converting into stable assets. Further subventions were subsequently made and on May 1, 1923, when the bank's resources were re-computed in its own stable note currency, the capital was fixed at 50 million gold rubles.

Since October 1, 1924, the capital of the State Bank has been 100,000,000 gold rubles. Total capital and reserves on October 1, 1925, were 125,500,000 rubles (\$64,632,500). On January 1, 1924, the gold reserve of the State Bank was 150,000,000 rubles. June 1, 1925, it was 245,000,000 rubles. The balance sheet total increased from 1,618,800,000 rubles (\$837,382,000) October 1, 1924, to 3,430,000,000 rubles (\$1,760,450,000) October 1, 1925. The number of branches increased from 382 February 1, 1924, to 457 October 1, 1925.

Statement of the State Bank of the U. S. S. R. as of
September 1, 1925

| LIABILITIES | | Chervontzi | Rbls. | Cop. |
|---|--------------------|------------|-----------|------|
| Capital | 10,000,000 | 0 | 00 | |
| Reserve Fund | 790,000 | 0 | 00 | |
| Undivided Profits | 1,000,758 | 3 | 77 | |
| Note Issue | 70,276,865 | 0 | 00 | |
| Deposits and Current Accounts.. | 72,162,477 | 3 | 01 | |
| Transfers | 347,887 | 9 | 91 | |
| Government Funds for Loans to Industry and Agriculture... | 21,484,685 | 1 | 29 | |
| Commission and Interest | 11,209,904 | 3 | 58 | |
| Offices, Branches and Agencies... | 114,656,257 | 0 | 16 | |
| Other Liabilities | 11,990,028 | 2 | 37 | |
| Total | 318,918,863 | 4 | 09 | |
| ASSETS | | Chervontzi | Rbls. | Cop. |
| Cash | 10,278,255 | 9 | 00 | |
| Bullion, Coin, Precious Metals and Foreign Currencies | 27,421,696 | 6 | 81 | |
| Securities | 7,199,549 | 3 | 64 | |
| Goods | 151,019 | 8 | 04 | |
| Bills and Loans | 112,943,852 | 4 | 93 | |
| Loans against Merchandise | 16,440,761 | 6 | 74 | |
| Special Loans to Industry and Agriculture on account of People's Commissariat of Finance | 21,503,320 | 9 | 10 | |
| Commission, Interest and other Charges, etc. | 4,500,434 | 1 | 61 | |
| Offices, Branches and Agencies.. | 107,589,219 | 9 | 15 | |
| Other Assets | 5,890,752 | 5 | 07 | |
| Total | 318,918,863 | 4 | 09 | |

Issue Department

| ASSETS | | Chervontzi |
|--|-------------------|------------|
| Bullion, Coin, Precious Metals and Foreign Currencies | 23,892,586 | |
| Drafts in Foreign Currencies..... | 169,290 | |
| Bills | 46,852,257 | |
| Loans against Merchandise..... | 85,867 | |
| Total | 71,000,000 | |
| LIABILITIES | | Chervontzi |
| Notes in Circulation | 70,276,865 | |
| Balance | 723,135 | |
| Total | 71,000,000 | |

Some of the other principal banks in the Soviet Union are as follows:

Bank for Foreign Trade, Organized April 1, 1924

| | Oct. 1, 1924 | Oct. 1, 1925 | Percentage Increase |
|--|---------------|---------------|---------------------|
| Balance sheet total.. | \$142,140,000 | \$298,550,000 | 106.5 |
| Capital stock | 15,965,000 | 30,900,000 | 93.5 |
| Deposits and current accounts | 54,590,000 | 113,815,000 | 108.5 |
| Loans and discounts | 85,490,000 | 174,040,000 | 102.5 |

Moscow City Bank

| | Oct. 1, 1924 | Oct. 1, 1925 | Percentage Increase |
|--|--------------|--------------|---------------------|
| Balance sheet total.. | \$38,200,000 | \$76,600,000 | 100.0 |
| Capital stock | 8,700,000 | 16,000,000 | 332.0 |
| Deposits and current accounts | 28,550,000 | 48,400,000 | 70.0 |

Industrial and Commercial Bank

| | Oct. 1, 1924 | July 1, 1925 | Percentage Increase |
|--|--------------|---------------|---------------------|
| Deposits and current accounts | \$54,750,000 | \$103,300,000 | 89.0 |

All-Russian Cooperative Bank

| | Oct. 1, 1924 | Oct. 1, 1925 | Percentage Increase |
|--|--------------|--------------|---------------------|
| Balance sheet total.. | \$46,350,000 | \$76,735,000 | 65.5 |
| Capital stock | 6,334,500 | 8,137,000 | 27.7 |
| Deposits and current accounts | 12,514,500 | 25,750,000 | 105.7 |
| Loans and discounts | 26,780,000 | 38,110,000 | 42.3 |

Central Agricultural Bank

| | Oct. 1, 1924 | Oct. 1, 1925 | Percentage Increase |
|-----------------------|--------------|--------------|---------------------|
| Balance sheet total.. | \$17,500,000 | \$88,000,000 | 403.0 |
| Capital stock | 7,500,000 | 26,500,000 | 253.0 |

On July 1, 1925, there were 260 municipal and city banks in the Soviet Union with a combined balance sheet total of \$149,750,000, including deposits and current accounts of \$84,300,000.

On October 1, 1925, there were 62 agricultural banks (mutual credit societies) with 73 branches and 64 agencies. Their consolidated balance sheet increased from \$41,000,000 October 1, 1924, to \$99,500,000 July 1, 1925.

Primary (local) cooperative credit banks increased from 5,353 October 1, 1924, to 10,385 July 1, 1925. During this period their resources increased from \$43,000,000 to \$99,000,000.

In addition to the Central Agricultural Bank, there are six agricultural banks of the Constituent Republics. On October 1, 1924, their consolidated balance sheet was \$8,000,000, and on July 1, 1925, it had risen to \$29,750,000. Apart from these, there is a steadily increasing number of private banks, known as mutual credit societies.

The number of Savings Banks was 10,157 on December 1, 1925.

Budget.—It is obvious that the growth of the federal budget is of the greatest economic significance in a country where such things as transport, communications and large productive and trading enterprises and banks are conducted either directly by the State or by State trusts. In the current budget for 1925-26 over half the ordinary revenues are derived from enterprises managed as the property of the State, while only 46.8 per cent are from taxes and duties. By far the greater part of the items on the expenditure column are productive expenditures, of an economic or social character.

The growth of the budget is shown by the following figures:

| | |
|---------------|-----------------|
| 1913 | \$1,802,500,000 |
| 1922-23 | 762,200,000 |
| 1923-24 | 1,183,400,000 |
| 1924-25 | 1,481,100,000 |
| 1925-26 | 1,945,800,000 |

According to the figures of the Commissariat for Finances, the new budget will yield a surplus of about \$205,000,000 for the expansion of agriculture, industry and the cooperatives, to be extended in the form of long-term credits. In addition, the proceeds of the internal reconstruction loan of \$154,200,000, the first installment of which was floated in November, 1925, will be similarly used. Of the budget surplus about \$88,000,000 will be used for financing agriculture and enterprises connected with agricultural development, about \$55,000,000 for general industrial development, \$37,000,000 for electrification and the remainder for the cooperatives and public works.

The budget for 1925-26 marks the second year during which the Government can meet all expenditures without

resorting to paper issues or a foreign loan. During the twenty years before the war the Tsarist Government was able to balance its budget only three times without borrowing from foreign bankers.

In the current budget the expenditures for social and cultural needs, such as education, public health, etc., are more than double the pre-war figures, while the appropriations for army and navy are about half those of 1913.

The following gives a summary of the budget for 1925-26 as presented to the Council of People's Commissars:

Proposed Soviet Budget for 1925-26

| FEDERAL REVENUES | |
|---------------------------------------|----------------------|
| Ordinary Revenues: | Gold Rubles |
| Direct taxes | 568,989,500 |
| Indirect taxes | 976,189,564 |
| Duties | 150,254,743 |
| Total tax revenues | 1,695,433,807 |
| Non-Tax revenues | 1,925,078,585 |
| Extraordinary revenues | 158,124,500 |
| Grand total revenues | 3,778,636,892 |
| FEDERAL EXPENDITURES | |
| Ordinary expenditures | 3,298,524,742 |
| Extraordinary expenditures | 480,112,150 |
| Grand total expenditures | 3,778,636,892 |

Local Budgets.—The growth of the local budgets in the Soviet Union is shown in the following table:

| | Revenues | Expenditures |
|---------------|-------------|--------------|
| | Gold Rubles | Gold Rubles |
| 1922-23 | 303,600,000 | 304,000,000 |
| 1923-24 | 681,000,000 | 663,600,000 |
| 1924-25 | 850,000,000 | 927,000,000 |

Deficits in local budgets are made up by appropriations from revenues of the Constituent Republics or the Federal Government.

Taxation.—Direct taxes are imposed in the form of a single agricultural tax, a trading tax, a realty tax and taxes on incomes and assessments. The single agricultural tax is expected to net \$111,000,000 in 1925-26, as compared with \$125,000,000 in 1924-25, following the policy of reducing the taxes to the peasantry. The trading tax is expected to yield upwards of \$100,000,000 as compared with \$40,000,000 in 1924-25. The income tax is expected to yield \$64,000,000 as compared with \$40,000,000 in 1924-25.

Indirect taxes consist of excise taxes and customs duties.

Excise taxes are imposed on sugar, tobacco, textile products, fermented and distilled spirits, oil products, salt, tea and coffee, matches, yeast. They are expected to yield \$413,000,000 in 1925-26, as compared with \$200,000,000 in 1924-25.

Customs revenues are expected to yield \$76,000,000 in 1925-26. The actual yield in 1924-25 was \$50,250,000.

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

Up to the beginning of the fiscal year 1925-26 the Soviet Government had issued seven internal loans with an aggregate value of \$165,110,000. During the fiscal year 1925-26 it is planned to issue a reconstruction loan of \$154,200,000, and installments of a peasant lottery loan not to exceed \$51,500,000.

TARIFF

The Soviet Union has a moderate system of tariff duties on imports, supplemented by duties on a limited number of articles of export. There are separate schedules for

the European and the Asiatic frontiers. Duties collected on the imports across the European frontiers in 1924-25 amounted to \$47,254,940, or about 15 per cent of the value of the total imports. Export duties for the fiscal year were \$3,022,500.

Certain dutiable articles are admitted free through certain ports, in order to develop the business of such ports. Thus imports of American cotton are admitted free at Murmansk.

Goods for transshipment to and from Manchuria are admitted free without customs inspection at Vladivostok.

FOREIGN TRADE

Foreign trade is a Government monopoly controlled through the Commissariat for Trade and Commerce. Trade is conducted by agencies of the Commissariat, by agencies of the Trading Bureaus of the six Constituent Republics, by the Consumers' Cooperatives and the Agricultural Cooperatives, by trading agencies of some of the large industrial syndicates, by a few mixed companies, operating under license, in which the Government holds a participating interest (generally 50 per cent), and by a few foreign firms operating under special agreements. The mixed companies and the foreign firms usually have a special limited scope.

The growth of the value of the foreign trade turnover is shown by the following table:

| | |
|---------------|-----------------|
| 1913 | \$1,490,495,000 |
| 1922-23 | 199,300,000 |
| 1923-24 | 484,910,000 |
| 1924-25 | 657,631,000 |

The turnover for 1924-25 increased 36 per cent over the turnover of 1923-24 in spite of the poor harvest of 1924. It was nearly 50 per cent of the value of trade for 1913. Grain exports ordinarily form about 40 per cent of all exports. In 1924-25 they were negligible. In 1925-26 the trade turnover is expected to reach about one billion dollars. In October, the first month of the fiscal year, the turnover was \$81,885,000, and in November, \$62,057,500.

In the following table the figures are for the European frontiers only:

| | Soviet Exports to Countries Named | | Soviet Imports from Countries Named | |
|----------------------------------|--------------------------------------|----------------|--|----------------|
| | 1924-25 | 1923-24 | 1924-25 | 1923-24 |
| | In Thousands of Gold Rubles | | In Thousands of Gold Rubles | |
| Belgium | 19,271 | 13,400 | 3,316 | 740 |
| Denmark | 13,697 | 15,000 | 1,666 | 480 |
| Esthonia | 13,967 | 20,900 | 4,168 | 7,850 |
| France | 22,133 | 20,600 | 9,079 | 4,460 |
| Germany | 87,005 | 93,700 | 101,602 | 87,000 |
| Great Britain | 185,442 | 113,000 | 107,806 | 95,000 |
| Holland | 20,514 | 31,000 | 33,878 | 2,660 |
| Italy | 15,433 | 21,500 | 5,237 | 2,200 |
| Latvia | 62,744 | 52,500 | 2,756 | 4,780 |
| United States..... | 21,169 | 8,500 | 188,252 | 97,000 |
| Other Countries..... | 46,469 | 90,600 | 175,551 | 85,980 |
| Total..... | 507,844 | 480,700 | 633,311 | 388,100 |
| In thousands of dollars | 261,539 | 247,560 | 326,155 | 199,871 |

The adverse balance of \$65,500,000 for 1924-25, as compared with a favorable balance of \$47,700,000 for 1923-24, was due to the sharp curtailment of grain exports following the poor harvest of 1924, and the necessity for imports of flour during the winter of 1924-25.

Exports.—The exports, which aggregated 5,475,000 metric tons in round figures, were divided as follows according to purpose categories:

| Purpose Category | Exports for 1924-25 | | Exports for 1923-24 | |
|--|---------------------|------------------|---------------------|------------------|
| | Value Gold Rubles | Percent of Total | Value Gold Rubles | Percent of Total |
| Materials and Manufactures for Industry | \$14,314,000 | 61.9 | 183,300,000 | 38.4 |
| Materials and Manufactures for Agriculture | 23,876,000 | 4.7 | 11,700,000 | 2.4 |
| Fuel | 14,432,000 | 2.8 | 5,700,000 | 1.2 |
| Hygienic and Medicinal Articles | 1,328,000 | 0.4 | 810,000 | 0.2 |
| Foodstuffs and Fodder | 146,320,000 | 28.8 | 273,000,000 | 56.6 |
| Articles of Personal Use | 2,085,000 | 0.4 | 1,630,000 | 0.3 |
| Luxury and Art Goods | 4,478,000 | 0.9 | 4,220,000 | 0.9 |
| Other Goods | 566,000 | 0.1 | 340,000 | 0.0 |
| Total..... | 507,844,000 | 100.0 | 480,700,000 | 100.0 |

The preceding figures show a marked change in the composition of Soviet exports for 1924-25 as compared with 1923-24. The exports of industrial raw materials and manufactures (such as flax, timber, furs, industrial goods, petroleum, etc.) were almost twice as large as the previous year, while the exports of foodstuffs amounted to about 50 per cent of the aggregate for 1923-24, notwithstanding the decline in the exportation of grain, which is normally an item of overwhelming importance in this commodity group.

Of the total Soviet exports \$62,294,400 or 23.8 per cent, were shipped overland, while \$199,245,260 or 76.2 per cent, were forwarded by water. As regards tonnage, 9.6 per cent of all the exports were sent over the land frontier and the remaining 90.4 per cent through the seaports.

Imports.—The Soviet Union's imports across the European frontier for 1924-25 aggregated 1,529,000 metric tons. They were distributed as follows in value among the four basic commodity groups employed in Soviet customs statistics:

| Commodity Group | Imports for 1924-25 | | Imports for 1923-24 | |
|---|---------------------|------------|---------------------|------------|
| | Value Gold Rubles | % of Total | Value Gold Rubles | % of Total |
| Foodstuffs | 155,283,000 | 24.5 | 32,800,000 | 8.4 |
| Raw and Semi-Manufactured Materials | 315,897,000 | 49.9 | 237,000,000 | 60.1 |
| Live-Stock | 1,148,000 | 0.2 | 8,000 | 0.0 |
| Manufactures | 160,983,000 | 25.4 | 118,292,000 | 31.5 |

The two groups of manufactures and raw materials reveal a decrease in their relative importance, while the foodstuffs group plays a larger role proportionally owing to special imports of flour and grain. In absolute figures all three of these groups showed advances, the foodstuffs group having increased by 370 per cent, the raw and semi-manufactured materials group by 33 per cent, and the manufactures group by 35 per cent.

With respect to value \$49,643,400 or 15.2 per cent of the Soviet Union's imports entered the country overland, while \$276,511,700 or 84.8 per cent came in through the seaports. The corresponding figures with regard to tonnage were 248,462 metric tons, or 16.2 per cent overland; and 1,280,000 metric tons, or 83.8 per cent by sea.

The role of the different categories of participants in Soviet foreign trade is primarily determined by whether or not they possess the right to do business on foreign markets independently. Organizations not possessing the privilege of doing business abroad directly, execute all their foreign trade transactions through the Soviet Trade Delegations, which handled a large part of the imports and exports during the past fiscal year. The accompanying table records the share of the various classes of organizations participating in Soviet foreign trade during 1924-25:

| Type of Organization | Exports | | Imports | |
|--|-------------------|------------|-------------------|------------|
| | Value Gold Rubles | % of Total | Value Gold Rubles | % of Total |
| State Institutions and Enterprises | 240,192,000 | 47.3 | 548,277,000 | 86.6 |
| State Joint-Stock Companies | 160,670,000 | 31.6 | 40,537,000 | 6.4 |
| Cooperatives | 63,296,000 | 12.5 | 84,121,000 | 8.8 |
| Mixed Companies | 27,913,000 | 5.5 | 9,057,000 | 1.3 |
| Foreign Firms | 5,338,000 | 1.1 | 8,111,000 | 1.3 |
| Private Persons | 3,605,000 | 0.7 | 1,989,000 | 0.3 |
| Others | 6,830,000 | 1.3 | 2,219,000 | 0.3 |

SOVIET-AMERICAN TRADE

During the past two years Soviet-American trade has developed with great rapidity, in the face of considerable handicaps. In 1913 the trade turnover between the former Russian Empire and the United States was about \$48,000,000. During the Soviet fiscal year 1923-24, according to Soviet customs statistics, the trade turnover between the Soviet Union and the United States was \$54,332,500 and in 1924-25 it was \$107,851,800. In other words, the trade turnover between the two countries in 1924-25 was nearly double that of the previous year and was nearly two and a half times that of 1913. The figures for 1923-24 and 1924-25 are for the European frontiers only; those for 1913 include all frontiers. The Soviet fiscal year ends September 30.

Exports and imports for the three years were as follows:

| | Exports to U. S. | Imports from U. S. |
|-----------------------------|------------------|--------------------|
| 1913 | \$7,290,000 | \$40,730,000 |
| 1923-24 (fiscal year) | 4,377,500 | 49,955,000 |
| 1924-25 (fiscal year) | 10,902,000 | 96,949,800 |

In 1913 the United States furnished 5.7 per cent of the imports of the Russian Empire and received 0.9 per cent of Russian exports. In the Soviet fiscal year 1924-25 the United States furnished 30 per cent of Soviet imports and received 4.2 per cent of the exports. In 1913 Germany furnished 42.6 per cent of Russian imports and received 29.8 per cent of Russian exports. In 1924-25 these percentages were 16 and 17 respectively. The United States stood first on the list of Soviet imports for 1924-25, furnishing nearly as much as Great Britain and Germany combined.

Soviet-American trade is carried on mainly by six trading organizations with offices in New York. Their reports for the Soviet fiscal year 1924-25 show a turnover of \$103,767,657, as compared with \$53,166,816 in 1923-24. Their reports for 1924-25 do not include American imports of manganese from the Soviet Union, valued at about \$4,000,000.

The trade for 1924-25 was divided as follows among the various companies:

| | Exports to Soviet Union | Imports from Soviet Union |
|-------------------------------------|-------------------------|---------------------------|
| Amtorg Trading Corporation | \$40,859,318 | \$6,670,713 |
| All-Russian Textile Syndicate | 44,401,112 | |
| Centrosoyus-America, Inc. | 198,130 | 5,541,225 |
| Selskosojus-America, Inc. | 830,711 | 23,004 |
| Eitingon-Schild Company | | 3,722,553 |
| Allied American Corporation | 798,751 | 722,140 |
| Total..... | \$87,088,022 | \$16,679,635 |

Of the above firms, all with offices in New York, Amtorg represents the trading bureaus of several of the republics of the Soviet Union and most of the large Federal

* "Selskosojus" is only beginning to develop its trade. Its trade figures up to January 1, 1926, were as follows: Exports—\$1,908,557; Imports—\$151,263.

Syndicates; The All-Russian Textile Syndicate purchases American cotton and dyes for the Soviet textile industry; *Centrosoyuz* is the trading agency of the Soviet consumers' cooperatives and *Selskosojuz* of the agricultural cooperatives; *Eitington-Schild* imports Soviet furs under concession, and the *Allied American Corporation*, operating also under concession, is representing certain American concerns in Soviet trade.

The increase in various articles of export from the United States to the Soviet Union is shown in the following table:

| | 1923-24 | 1924-25 |
|---------------------------------|--------------|------------------------|
| Cotton ¹ | \$39,432,130 | \$44,284,833 |
| Industrial Machinery | 1,800,000 | 7,100,000 |
| Agricultural Machinery | 1,150,000 | 8,000,000 ² |
| Motor Cars and Trucks..... | 125,000 | 1,063,000 |
| Metals | 176,000 | 1,240,000 |
| Typewriters and office supplies | 146,000 | 675,250 |
| Chemicals and pharmaceuticals | 287,700 | 437,100 |
| Leather | 123,000 | 422,760 |
| Rosin | 234,500 | 520,500 |

Other articles of export in 1924-25 included dry goods, hardware, needles, as well as flour valued at \$21,500,000, shipped to the Soviet Union as a result of the poor harvest of 1924.

Furs valued at \$13,975,500 led the list of imports to the United States from the Soviet Union during 1924-25. This figure breaks all records for direct imports of Russian furs, and compares with \$8,940,500 for the previous year. Other imports included sheep casings worth \$1,000,000, flax and tow worth \$355,000, caviar worth \$250,000, bristles worth \$120,000, licorice root worth \$110,000. Imports of manganese ore were about \$4,000,000.

COOPERATIVES

The cooperatives in the Soviet Union are playing an increasingly important role in the national economy. The various cooperative societies had 22,000,000 members in the spring of 1925. They perform many of the functions which in other countries are conducted by private enterprises.

The Consumers' Cooperatives ("*Centrosoyuz*") include 25,516 societies with 42,000 stores and 9,000,000 members. The gross turnover for the year 1924-25 was estimated at not less than a billion and a half dollars. In two years, from 1923 to 1925, the number of stores doubled and the membership increased 80 per cent.

The Agricultural Cooperatives ("*Selskosojuz*") include 415 federations and 45,500 local membership cooperatives (compared with 600 in 1921), with an aggregate membership of 5,000,000 farms on July 1, 1925. 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. In 1924 their gross turnover was \$318,780,000. In the first six months of 1925 it was \$288,400,000.

The Handicraft Cooperatives comprised 263 federations, which included 11,500 "*artels*" with 450,000 members on April 1, 1925. During the previous sixteen months the number of *artels* had increased 53 per cent and the membership by 50 per cent. The turnover for 1924-25 is estimated at upwards of \$275,000,000.

Agricultural credit cooperatives numbered 10,385 on July 1, 1925, having increased from 5,353 on October 1, 1924. Their combined resources were \$99,000,000.

¹ Cotton exports to the Soviet Union 1924-5 were 297,848 bales, as compared with about 240,000 bales the previous year. Values given are c. i. f. Murmansk.

² Including tractors valued at \$3,870,283.

Housing, Building and Renting Cooperatives numbered 25,000 in the spring of 1925, with 12,000,000 members.

Hunting Cooperatives at the beginning of 1925 included seventy corporate bodies controlling 372 trading cooperatives and 32 cooperative hunting groups (hunting "*artels*"). The membership comprised 230,000 hunting families.

TRADE UNIONS

The membership in trade unions in the Soviet Union was 6,950,484 on April 1, 1925, as compared with 5,822,682 on April 1, 1924, an increase of 21 per cent. The various unions are organized in a Central Council of Trade Unions.

Relations between employers and employed are fixed by collective agreements.

Industrial disputes that are not settled amicably between the labor unions and the employing organizations are referred to special Arbitration Courts established for such purpose.

The right to strike is maintained in respect to State enterprises as well as private factories. During the past few years there have been few strikes, in most cases with only a small number of workers involved.

PROTECTION OF LABOR

The eight-hour workday is part of the fundamental law of the Soviet Union, and is strictly applied. Overtime work may be performed under regulated conditions including payment. During the past two years overtime work per worker has steadily diminished. During certain seasons of the year agricultural workers may exceed the regulation eight hours, for limited periods, by agreement with employers.

During the year there are twelve legal holidays for workers. In addition each worker has a two-weeks' vacation with pay. In occupations dangerous to health supplementary vacations are allowed in addition to the fortnightly vacation, and in 146 of these trades a shorter work-day is in effect.

Strict child labor laws are enforced in their entirety. No children below 14 years are employed in industry. Data compiled in a special investigation of 38 provinces of the R. S. F. S. R. during 1925 showed that the work-day for youths between 16 and 18 averages 5.8 hours.

The practice of giving working youths periodical medical examinations, a procedure that has been observed for the past three years, is being extended to adult workers in harmful occupations.

The special requirements for women in industry, such as vacations during the period of childbirth, etc., are being rigidly observed.

INSURANCE

The State Insurance Administration was organized in January 1922. The Insurance Administration writes policies covering fire, life, transportation, hail, cattle, etc. In addition, at the beginning of 1925 about 5,000,000 persons had social insurance, i. e., insurance against incapacity to work, and on April 1, 1925, 433,386 persons were receiving compensation under this category. During 1924-5 the social insurance companies paid out \$15,450,000 for unemployment benefits.

The contents of the present issue of the "Russian Review" have just been published by the Russian Information Bureau as a separate pamphlet entitled "Commercial Handbook of the Union of Soviet Socialist Republics for 1926." Forty pages. Price 25 cents.

NATIONAL WEALTH

The value of the national wealth of the Soviet Union on October 1, 1924, was estimated by the Central Statistical Department at fifty-two billion dollars.

The total national income from all sources of production in 1923-24 was estimated at six billion dollars.

CONCESSIONS

Concessions for the exploitation of certain of the natural resources of the Soviet Union may be secured from the Chief Concessions Committee attached to the Supreme Economic Council, by responsible foreign interests. As a rule the concessions run for a limited period of years. The concessionary furnishes the capital for development and the "know how." The government, in addition to the valid lease, usually affords special facilities for communication and transport and for the importation of machinery and equipment. Some concessions are in the form of mixed companies in which the Soviet Government has a participating interest. A number of foreign firms which operated properties in Tsarist Russia have taken over the old properties in whole or in part under concession agreements with the Soviet Government. These include the Lena Goldfields Company, the Anglo-Russian Timber Company, the Russo-Dutch Timber Company, the Norwegian-Russian Timber Company, the Joint Stock Company of Swedish Ball Bearing Factories, Raabe, Berger and Wirth, Reiser, Borunsky, "Gas-Accumulator," Alftan, Briner, the Ayan Corporation, the Great Northern Telegraph Company, the Indo-European Telegraph Company.

A tabulation made early in 1925 showed that 34.6 per cent of the foreigners who had applied for concessions in the Soviet Union were Germans, 11.9 per cent British, 10 per cent Americans, 8.1 per cent French. From 1921 up to Jan. 1, 1925 1,286 applications for concessions were received and 66 were granted. Of those granted 8 pertained to mining enterprises, 14 to manufacturing, 6 to timber, 7 to agriculture, 19 to trade and 12 to transportation and miscellaneous branches. During 1925 up to October 1, 23 concessions were granted. On May 26, 1925, L. D. Trotzky became Chairman of the Chief Concessions Committee.

The two largest concessions granted during the year were the so-called Lena Goldfields concession, to an Anglo-American syndicate, and the Chiaturi manganese concession to the Harriman Company.

The Lena Goldfields concession is a triple concession. It includes gold mines in the Lena-Vitim region, copper-lead-zinc resources in the Zyrianovsk-Zmeinogorsk region in the Altai Mountains, and copper, iron and other resources in the Sysertsk-Revdivinsk region of the Urals, along with certain timber and coal rights. The concession in the Lena-Vitim region runs for 30 years and in the other two regions for 50 years. The Lena Goldfields Company operated in these same regions under the Tsarist regime.

The Harriman concession, to run for 20 years, covers the largest manganese fields in the world. The company expects to bring production up to 1,000,000 tons annually.

EDUCATION

At the opening of the scholastic year 1925-26 there were 130,000 primary schools and seven-year-course schools throughout the Soviet Union. During the year 50,000 more will be opened. There were approximately between 12,000,000 and 15,000,000 pupils. In 1924-25 there were 91,350 primary, secondary, seven- and nine-year-course schools with 9,118,059 pupils. In addition there were 5,307 pre-primary schools, children's settlements and schools and institutes for defectives, with 399,726 pupils.

On January 1, 1925, there were 3,030 vocational schools with 283,506 students, 114 workers' colleges with 43,109

students, 903 higher technical institutes with 162,192 students, 170 universities with 170,811 students.

In the universities and technical institutes the students (35 per cent of whom were women) were divided as to subjects of study as follows:

| Subject | Number of Students |
|--------------------------------------|--------------------|
| General instruction..... | 56,250 |
| Medicine and veterinary surgery..... | 33,091 |
| Pedagogy | 68,519 |
| Agriculture | 39,459 |
| Engineering | 79,873 |
| Industry and economics..... | 19,730 |
| Communist theory..... | 5,525 |
| Fine arts..... | 30,561 |
| Total..... | 333,008 |

In 1924 there were 58,391 establishments for adult education in the Soviet Union, as compared with 33,880 in 1923. These included 14,803 schools for illiterates and semi-illiterates, with an attendance of nearly 500,000 pupils as compared with 2,828 schools and an attendance of 92,868 the previous year.

Appropriations for public education in 1924-25 were \$172,210,000, as compared with \$73,564,000 the previous year. Of the appropriations for 1924-25 \$58,000,000 came from the Constituent Republics, about \$4,000,000 from the Federal Government, as a special appropriation, and the remainder from local appropriations. The appropriations for 1925-26 will be about 50 per cent above those for 1924-25.

A school census will be taken in 1927 in preparation for the establishment of universal public education, which is already virtually established in Moscow province and several other highly populated provinces.

Though up to 1924-25 the educational program was greatly retarded by lack of funds, illiteracy has been greatly decreased as compared with pre-war days. As early as the beginning of 1925 less than 20 per cent of the army recruits were illiterate. Before the war 90 per cent could not read or write. Every military conscript now receives an education during his term of service.

In Moscow at the opening of the school season of 1925-26 there were 890 schools in operation under the Moscow Department of Public Education, with 180,680 pupils, or 20 per cent more than before the war. In 1924 there were 819 schools with 152,970 pupils. At the beginning of 1925-6 there were 210 kindergartens with 5,729 children between the ages of four and eight years. Before the war there were perhaps a dozen kindergartens for wealthy children exclusively. In addition, Moscow now has 277 children's homes taking care of 23,540 little ones.

ACADEMY OF SCIENCES

In addition to its purely scientific work, the Academy of Sciences is performing an increasing amount of research and exploration work in the interest of improving production and opening new natural resources for development. Its position in the new Soviet State is one of steadily growing importance, both along cultural and economic lines. During 1924 the Academy held 64 general meetings, issued 55 volumes of scientific publications and conducted 78 scientific expeditions. The Federal appropriation for the Academy was increased from \$825,000 for 1924-25 to \$1,121,600 for 1925-26. Several hundred of the most noted foreign scientists attended the 200th anniversary jubilee of the Academy in the fall of 1925.

The next issue of the "Russian Review" will appear on May 1, 1926.

SOCIETY FOR CULTURAL RELATIONS

The All-Union Society for Cultural Relations was formed for the purpose of establishing closer relations between cultural and scientific bodies in the Soviet Union and those of foreign countries. It arranges the exchange of information, reports, periodicals and books issued by such societies in the Soviet Union for similar publications in foreign countries, and it issues weekly bulletins setting forth various phases of scientific and cultural progress. The Society maintains a Service Bureau for Foreign Visitors, which assists foreigners who go to the Soviet Union for purposes of research or study, and arranges tours for visiting professors, scientists, etc. Madame O. D. Kameleva is President of the Society. The address is Sverdlov Place, Second Soviet House, Moscow, Union of Soviet Socialist Republics.

NEWSPAPERS AND BOOKS

By October, 1925, the circulation of daily newspapers in the Soviet Union had reached nearly three times the circulation of 1913. The number of papers and their average circulation follows:

| | October, 1925 | October, 1924 | 1913 |
|-------------------|---------------|---------------|-----------|
| Newspapers | 595 | 517 | 859 |
| Daily circulation | 7,284,000 | 3,769,000 | 2,500,700 |

In 1913 there were only four newspapers devoted particularly to the peasants, among whom literacy was then a rarity. In October, 1925, there were 146 peasant newspapers with an aggregate circulation of 1,600,000 copies. The non-Russian press in the Soviet Union includes 139 newspapers with an aggregate circulation of 600,000 copies.

In addition to the papers tabulated above there were 27,000 poster newspapers on October 1, 1925.

The principal daily newspapers, with their circulations at the beginning of 1925 include the following: "Izvestia" (News), 500,000, official organ of the Central Executive Committee of the Soviet Union; "Pravda" (Truth), 600,000, official organ of the Communist Party; "Ekonomicheskaya Zhizn" (Economic Life), 40,000, official organ of the Council of Labor and Defense; "Finansovaya Gazeta" (Financial Gazette), 10,000, official organ of the Commissariat for Finances; "Trud" (Labor), 45,600, published by the Central Council of the Trade Unions; "Torgovo-Promyshlennaya Gazeta" (Trade and Industrial Gazette), 12,000, organ of the presidium of the Supreme Economic Council; "Kooperativny Put" (Cooperative Path), organ of Central and Moscow Union of Consumers' Cooperatives; "Krasnaya Zvezda" (Red Star), 25,000, published by Supreme Military Editorial Council; "Byednota" (The Poor), 70,000, peasant communist organ; "Gudok" (The Steam Whistle), 250,000, published by the Central Committee of the Railway Workers Union; "Krasnaya Gazeta" (Red News), 200,000, published by the Provincial Executive Committee, Leningrad; "Leningradskaya Pravda," 131,000, communist party organ of Leningrad.

The rise of book-publishing is shown in the following table:

| | 1924 | 1923 | 1912 |
|--------------------|--------|--------|--------|
| Titles | 15,600 | 12,300 | 22,000 |
| Millions of copies | 900 | 625 | 800 |

RED ARMY

In May, 1925, the Commissar for Army and Navy reported that the numerical strength of the Red Army was 529,000 men.

Military service is obligatory except for persons of certain categories who are deprived of the right to vote

at Soviet elections. For those drawn it extends over 21 years (between the ages of 19 and 40) including from two to four years of active service.

In May, 1925, 90.5 per cent of the officers in the army had received a special military education.

Every soldier drawn to the colors receives an education in the army. In 1925, 28,947 totally illiterate and 44,257 partly illiterate recruits were educated. The army maintained 4,500 reading rooms, called "Lenin Corners," in 1925. During 1924, 10,051,801 books were borrowed by soldiers from army libraries.

FOREIGN RELATIONS

Normal diplomatic relations were restored with France in December, 1924, and with Japan in January, 1925. Business relations with these two countries immediately received a decided stimulus. With the signing of agreements with these two Governments, the Soviet Government had resumed normal relations with all the major countries of the world, with the exception of the United States.

The following countries had established normal diplomatic relations with the Soviet Union up to January 1, 1926: Afghanistan, Arabia, Austria, China, Danzig, Denmark, Esthonia, Finland, France, Germany, Great Britain, Greece, Italy, Japan, Latvia, Lithuania, Mexico, Mongolia, Norway, Persia, Poland, Sweden, Turkey. Czecho-Slovakia has established trade relations.

The following foreign consular agencies were established in the Soviet Union as of November 15, 1925:

Afghanistan: Tashkent, Merv.
China: Kharkov, Semipalatinsk, Vladivostok, Blagoveshchensk, Chita, Nikolsk-Ussuriysk, Khabarovsk, Troitsko-Savsk, Nikolayevsk-on-the-Amur, Irkutsk, Leningrad.

Denmark: Leningrad.

Finland: Leningrad.

Germany: Leningrad, Novo-Nikolayevsk.

Great Britain: Vladivostok, Leningrad.

Italy: Tiflis, Leningrad, Odessa.

Japan: Vladivostok, Alexandrovsk, Khabarovsk, Petropavlovsk, Blagoveshchensk.

Latvia: Leningrad, Vitebsk.

Norway: Krasnoyarsk, Leningrad, Archangel, Moscow.

Persia: Astrakhan, Tashkent, Novorossiysk, Baku, Poltoratsk, Tiflis, Batum, Erivan, Makhach-Kala, Lenkoran, Krasnodar, Saratov, Armavir, Nakhichevan, Ganja, Sukhum.

Poland: Kharkov.

Sweden: Leningrad, Archangel.

Turkey: Tiflis, Baku, Batum, Leninakan, Odessa.

In October, 1925, a new and more comprehensive commercial treaty was signed with Germany, and trade credits to the value of 100,000,000 marks were established in Germany. An understanding was also reached with the Polish Government whereby trading relations were facilitated and annoying frontier incidents were amicably adjusted.

On April 4, 1925, Northern Sakhalin was formally restored by Japan to the Soviet Union.

RIGHTS OF FOREIGNERS

The rights of foreign nationals, where an agreement exists between their government and the U. S. S. R., are regulated in accordance with the terms of that agreement. If the rights of foreigners have not been specified in the agreement or by special laws, the rights of these foreigners to move freely in the territory of the U. S. S. R., to choose a profession, to open and to carry on business enterprises, to acquire movable or immovable property, or shares on land, may be restricted by decrees of the competent central organs of the Government of

the U. S. S. R., with the consent of the People's Commissariat for Foreign Affairs. Foreign joint-stock companies, associations, and others, acquire the rights of a juridical person only by special government permission.

Foreign firms and foreigners are not allowed to own, or to be part owners, of ships navigating under the Russian flag, or of joint-stock companies possessing such ships. Exception is made with regard to mixed companies if such rights have been conceded in their statutes or by special decrees.

Foreign vessels are not allowed to engage in coasting trade between the ports of the U. S. S. R. They may be allowed to do coasting trade by way of concession, and only for a single journey, in cases where the government is interested in it.

Foreign firms desiring to carry on trade operations or to open offices, agencies, etc., in the U. S. S. R., must make an application, with payment of the established stamp duty, to the Commissariat for Trade and Commerce, giving all particulars of the proposed enterprise, including management, ownership and proof of legal existence in the country of domicile, of the applicant firm.

Under a legislative measure confirmed by the Central Executive Committee, June, 1925, foreigners have the right to the use of land for agricultural purposes on the same basis as citizens.

PATENT LAW

Patents are granted for new inventions capable of industrial exploitation. The holder of the patent has the exclusive right to industrial exploitation of his invention within the territory of the U. S. S. R. He may transfer his patent in whole or in part, and also bequeath it. Patents are issued by the Committee on Inventions attached to the Supreme Economic Council. They run for fifteen years. Foreign citizens have the same right to take out patents as citizens of the U. S. S. R.

VISAS

Americans who wish to obtain visas to visit the U. S. S. R. should communicate with the Visa Department, Peo-

ple's Commissariat for Foreign Affairs, Moscow, Union of Soviet Socialist Republics, or with the consulate of the U. S. S. R. in any country with which the Soviet Government has diplomatic relations.

CITIES RENAMED

A number of cities have been renamed since the revolution. The following are the principal changes:

| Former Name | Present Name |
|----------------|---------------|
| Alexandropol | Leninakan |
| Alexandrovsk | Zaporozhye |
| Askabad | Poltoratsk |
| Bakhmut | Artemovsk |
| Ekaterinburg | Sverdlovsk |
| Ekaterinodar | Krasnodar |
| Elisavetgrad | Zinovievsk |
| Elisavetpol | Ganja |
| Gatchina | Trotsk |
| Petrograd | Leningrad |
| Simbirsk | Ulianovsk |
| Tsaritsyn | Stalingrad |
| Tsarskoye Selo | Detskoye Selo |
| Yamburg | Kingisepp |
| Yuzovka | Stalin |

RUSSIAN WEIGHTS, MEASURES AND CURRENCY

1 pood equals 36 lbs. About 61 poods equal a metric 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 rouble equals \$5.146.

1 copeck equals .01 of a rouble.

1 chervonetz equals 10 gold rubles; its gold parity is \$5.146.

The metric system is gradually being introduced in 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.
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RUSSIAN REVIEW

Fifteen Cents

May, 1926

Vol. IV, No. 9

Concessions and Concession Possibilities

Inheritance and Donation Tax

The New Tariff of the Soviet Union

Federal and Local Budgets of the U. S. S. R.

The Georgian Soviet Republic

Foreign Relations of the Soviet Union

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RUSSIAN REVIEW

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Concessions and Concession Possibilities

THE concession policy was inaugurated by the Soviet Government over five years ago when the decree "On the general economic and juridical conditions for concessions" was issued by the Council of People's Commissars. In reality, however, the carrying out of the concession policy began in 1922. The total number of concession applications from 1922 to 1925 is shown by the following table:

| Year | Applications |
|------------|--------------|
| 1922..... | 338 |
| 1923..... | 607 |
| 1924..... | 311 |
| 1925..... | 253 |
| Total..... | 1,509 |

According to the various countries the concession applications were distributed as follows: Germany 493, England 170, United States 153, Italy 43, Austria 42, Holland 36, Norway 35, Japan 26, Belgium 19, etc.

According to the various branches of national economy the applications were distributed as follows:

| | |
|-----------------------------------|-------|
| Trading | 383 |
| Manufacturing | 345 |
| Mining | 218 |
| Agriculture | 183 |
| Transport and Communication | 126 |
| Timber | 90 |
| Building | 31 |
| Other concessions..... | 133 |
| Total..... | 1,509 |

Since 1924 the number of applications submitted to the Chief Concessions Committee decreased considerably, but at the same time there was noticed an improvement with regard to the soundness of the proposals. The most serious concession applications, both with respect to their soundness and to their extent were made in the course of 1924 and 1925. The decrease in the number of applications is explained by the new method of considering concession matters. In the course of the last few years the preliminary examination of the concession offers has been conducted by special foreign commissions. Thus, offers which are of no interest or are not bona fide, are not submitted at all to the Chief Concessions Committee and are not considered by it.

On January 1, 1926, the Chief Concessions Committee had on record the following organi-

zations operating according to all the legal requirements:

| | |
|---------------------------------------|-----|
| Regular Concessions..... | 86 |
| Mixed Companies..... | 31 |
| Total Concessions..... | 117 |
| Foreign Firms, Registered..... | 91 |
| Joint Stock Companies Authorized..... | 18 |
| Grand Total..... | 226 |

Under "regular concessions" are understood those enterprises which are operated solely with foreign private capital, while "mixed companies" are operated with both foreign private capital and Soviet State capital.

The distribution of the concessions granted according to countries, including the subdivision into regular concession enterprises and mixed companies, is as follows (only the more important countries being mentioned in the list):

| | Regular Concession Enterprises | Mixed Companies | Total |
|--------------------|--------------------------------------|--------------------|--------|
| Germany | 20 | 9 | 29 |
| England | 16 | 5 | 21 |
| United States..... | 11 | 2 | 13 |
| Sweden | 4 | 1 | 5 |
| Norway | 4 | 1 | 5 |
| Japan | 4 | 0 | 4 |
| Italy | 4 | 0 | 4 |
| Poland | 2 | 2 | 4 |
| France | 3 | 0 | 3 |
| Denmark | 3 | 0 | 3 |
| Finland | 3 | 0 | 3 etc. |

According to branches of national economy the concessions granted are distributed as follows:

| | Regular Concession Enterprises | Mixed Companies | Total |
|--|--------------------------------------|--------------------|-------|
| Trading..... | 18 | 15 | 33 |
| Manufacturing | 20 | 3 | 23 |
| Mining | 20 | 1 | 21 |
| Transport and Com- munication | 6 | 6 | 12 |
| Agricultural | 16 | 0 | 16 |
| Timber | 2 | 4 | 6 |
| Construction | 2 | 0 | 2 |
| Other | 2 | 2 | 4 |
| Total..... | 86 | 31 | 117 |

Oil Concession Possibilities

Besides the oil fields in the Caucasus which are exploited by the Government, there are other rich oil lands in various parts of the Soviet Union, which could be suitable objects for concessions.

The first place among these oil lands is held by the Ural-Emba region covering an area of 215,000 square kilometers, of which 70,000 square kilometers can be classified as oil-bearing lands.

Emba oil is of particularly high quality which easily lends itself to the production of lubricating oils. According to the opinion of foreign geologists, the Emba region contains an oil reserve of between 200 and 225 million tons. The Emba oil region, and particularly its northwestern part, has not been surveyed to any considerable extent. The richest oil sectors are situated in the center of the Ural-Emba region, in the valley of the river Tersakan.

The Emba oil region extends on the one hand to the Caspian Sea and on the other hand to the Tashkent Railroad. The valley of the Tersakan River is situated at a considerable distance from both the railroad and the sea.

There are at present sixty oil sectors in the Emba region situated at a comparatively small distance from each other. Prior to the Revolution of 1917 the Dossor fields were under regular exploitation. In 1914 the output of oil in this sector reached 27,000 tons. In 1915 operations were begun on the Makot sector which was connected by pipe systems with the Dossor fields.

An intensive exploitation of the richest oil sectors of the Emba region would render necessary the equipment of a port in Guriev on the Caspian Sea, the construction of an aqueduct, of pipe systems connecting the various sectors, and of a refining plant in Samara on the Volga.

The other regions offering concession possibilities can be divided into two groups: In the first group is included Cheleken Island near the southeastern shore of the Caspian Sea (in 1911 its oil fields turned out 217,000 tons of petroleum, 37 wells being in operation); Berikey on the eastern shore of the Caspian Sea; and finally Santo and Chimion in the Uzbek Soviet Republic in Soviet Central Asia.

The Soviet Government is prepared to lease the prospected parts of these oil regions on condition that the operations be started immediately on the basis of a minimum production program with the understanding that further prospecting activities are to be undertaken in the unexplored parts of the oil regions.

The other group of possible concessions includes the Kerch peninsula on the western end of the Crimea, the Taman peninsula on the other side of the Kerch Strait, the Kakhelia region in Georgia (Transcaucasia), and the Ukhta district in the Pechora region. They could all be granted as concessions for prospecting purposes with subsequent exploitation.

Timber Concessions in the U. S. S. R.

The chief forest areas of the Soviet Union are concentrated in the northern regions of the European and Asiatic territories of the Soviet Union as well as in the Russian Far East—sections which are very scarcely populated. The total forest area of the U. S. S. R. covers about 3,150,000,000 acres.

The annual increase in the amount of timber in the forests of the U. S. S. R. is tremendous. In the European part of the U. S. S. R. it amounts to 250,000,000 cubic meters, and in Siberia to about 330,000,000 cubic meters. It must be noted that in the northern region of the European territory, which is richest in timber, and which communicates with the outside world by way of the White Sea ports, only 5.5 per cent of the annual increase is cut, while the corresponding ratio in the Urals amounts to 8 per cent, and in Siberia to 2.6 per cent.

Particularly wide prospects for foreign concession capital are open in the enormous forests situated in the vicinity of the White Sea, of the Arctic Ocean, and of the Pacific.

These forest areas embrace great varieties of trees with manifold technical peculiarities, such as pine, fir, spruce, cedar, larch, oak, aspen, various building materials and materials for paper and paper-pulp production, as well as materials for chemical industries (pitch, turpentine, rosin, alcohol, oils, lye, etc.).

The railroad system in these regions is hardly developed. Rivers are the main transport routes, such as the Onega River, the Northern Dvina, the Mezen, the Pechora, the Obi, the Yenisei, the Lena and the Amur Rivers.

Competent authorities have mapped out the forest sectors that might be suitable objects for concessions. They cover 74,000,000 acres, 39,500,000 of which are situated in the northern parts of European Russia, and of Siberia near the shores of the White Sea and the Arctic Ocean, while 34,500,000 acres are in the Russian Far East, near the Pacific Ocean.

Out of the sixty forest sectors which the Government intends to lease to concessionaires, thirty-one are situated in the Archangel and Northern Dvina Provinces, in the Komi Autonomous Area and in the Karelian Autonomous Republics; six are situated in the Ural Region and the Tiumen Province (Western Siberia) and twenty-three in the Far Eastern Region.

The area of the forest sectors varies from 815,000 to 3,705,000 acres in the Archangel Province; from 592,800 to 5,190,000 acres in the Komi Autonomous Area; from 62,000 to 450,000 acres in the Northern Dvina Province, and from 432,000 to 4,320,000 acres in the Far Eastern Region.

The approximate value of the timber to be cut in the various forest units is estimated at from 50,000 to 850,000 gold rubles per year.

Concession Possibilities in the Cellulose and Paper Industry

The utilization of the forest resources of the Soviet Union is closely connected with the development of the cellulose and paper industry. The domestic production of chemical pulp (cellulose), mechanical pulp (wood pulp) and paper does not satisfy as yet the needs of the country. Thus over 115,000 metric tons of paper were imported during the fiscal year 1924-25, while 175,000 tons were turned out within the country; with regard to chemical pulp 40,000 tons were imported and over 48,000 produced; and as to mechanical pulp, 30,000 tons were imported and 57,000 tons produced.

Plants suitable for the turning out of these products could be equipped in the Archangel and Vetluga districts and in the regions of the Vychehga and Tavda Rivers.

Archangel seems to be most suitable from the point of view of concession possibilities, as up to 22,000,000 cu. ft. of spruce pulp wood are yearly available in this district. In this region a powerful enterprise could be erected with an annual output of 1,000,000 tons of chemical pulp; this enterprise could be connected with a saw mill. Saw-mill waste could be used as fuel.

In the Vychehga region 44,000,000 cu. ft. of spruce pulp wood could be obtained yearly. It would be possible to erect in the Kotlas region two establishments with an annual output of about 1,000,000 tons of news-print paper, 100,000 tons of chemical pulp and over 60,000 tons of mechanical pulp for the needs of the establishment.

The approximate construction cost of the two enterprises would be 75,000,000 gold rubles; the quantity of chemical pulp to be exported could be brought up to 50,000 tons.

In the Tavda region the available supply of spruce pulp wood would render possible the construction of a plant which could turn out 50,000 tons of paper of various grades, 30,000 tons of chemical pulp and 25,000 tons of wood pulp for the needs of the plant.

In the Vetluga region the quantity of spruce pulp wood is estimated at 13,200,000 cu. ft. yearly. A plant could be erected there which could turn out 50,000 tons of brown wrapping paper and could consume yearly 6,600,000 cu. ft. of pulp wood.

Due to a great number of favorable circumstances the cellulose industry represents a very profitable investment.

The Russian-American Compressed Gas Company "Ragas"

In the course of January, 1926, a concession was granted to the "International Oxygen Company," an American concern, for the purpose of erecting oxygen, acetylene, and other gas plants in the Soviet Union, also welding shops, welding schools, and technical offices covering the entire

gas industry. The concession is in the form of a mixed company, the Soviet Government taking part in it through the agency of the Metal Syndicate, one of the Soviet Union's strongest metal trading combinations. The concession is for a period of fifteen years, the International Oxygen Company and the Metal Syndicate having equal shares. The Company thus created is called the Russian-American Compressed Gas Company "Ragas," with a capital of 1,000,000 gold rubles divided into 10,000 shares of one hundred gold rubles each. Both sides cover their shares in cash, within a period of three years.

The Company is granted the right to erect gas plants, equipment factories, welding establishments throughout the Soviet Union, to build, purchase or rent buildings, shops and factories, to sell products in or outside of the country, to erect gas plants and welding shops for third parties, to import machinery, equipment and materials from abroad, with the special privilege of importing the machinery and equipment for its own plants free of duty. The Company is to erect within three years six oxygen plants, two acetylene plants, one apparatus plant, two welding schools, a number of welding establishments with a specified minimum production program. The Company has the right to sell its products at whatever price it may see fit, and to render technical service to third parties for reasonable compensation. The invested capital will be returned to the Company from an amortization fund, at the rate of 10 per cent per year, and the profits derived can be exported abroad in proportion to the shares of the International Oxygen Company.

Being a mixed company the enterprise is placed on par with state organizations, its taxes being limited to the rate paid by such organizations.

In return for the concession the Company pays the government 3 per cent from its gross business.

Insurance of Concession Enterprises

By the end of 1925 the Managing Board of the State Insurance Department received a number of offers to insure with the State Insurance Department properties held by foreign concession firms.

For the time being the property of the following concerns has been insured: "Stoltzenberg and Yakovlev's Successors," the structures, machines and equipment of the pencil factory leased by the American citizen Hammer, and the German firm G. and F. Bruck, which is manufacturing ventilators. In addition to this, negotiations are being conducted concerning the insurance of all the enterprises of the Lena Goldfields, Ltd., and of the German concession, Stock & Co., in Leningrad.

The next issue of the "Russian Review" will appear on June 1, 1926.

Soviet Industries in 1925-26

THE original economic plan adopted for the fiscal year contemplated an increase of 49 per cent in industrial production over last year. This has been cut to 39 per cent. Instead of \$500,000,000, as originally planned, \$412,000,000 will be spent on new factories and equipment in the principal industries.

In explaining the situation, Mr. Rykov, Chairman of the Council of People's Commissars of the Soviet Union, made the following statement:

"We made a number of miscalculations and mistakes in our grain purchases. As a result we planned to live on what proved to be beyond our means. Hence it has been necessary to economize, to cut down our program, to make both ends meet. None the less, in spite of the sharp reductions, our progress shows an advance that could not be matched by any other country in Europe.

"There is no scarcity of grain for internal consumption. On the other hand the lack of industrial goods is felt everywhere. This is our most serious embarrassment, and it has contributed to upset the agricultural market. Though the output of our industries increased 63 per cent last year over the previous year, it could not keep up with the increased purchasing power of the population. Fortunately we have large reserves in unused plants and equipment. This year these reserves will be fully brought to service. Hereafter the increase of industrial production must be effected through new construction and equipment."

Development of Basic Chemical Industry

The basic chemical industry of the Soviet Union is showing an intensified development this year because of rapidly increasing demands from the textile, paper and glass industries and from agriculture. For the first quarter of the current Soviet fiscal year, October 1, 1925, to January 1, 1926, the output of various products was from 53 to 88 per cent greater than the output for the first quarter of 1924-25.

The figures of production for the quarter are as follows:

| | Metric Tons | Per cent increase over same period 1924-25 |
|--------------------------|-------------|--|
| Sodium Carbonate..... | 184,000 | 88 |
| Caustic Soda..... | 55,000 | 53 |
| Bicarbonate of Soda..... | 18,000 | 80 |
| Sulphuric Acid..... | 125,000 | 60 |
| Superphosphates | 66,000 | 75 |

The figures for superphosphates are for the Northern Chemical Trust only.

Output of Iron Ore

The output of iron ore in the Soviet Union during the first quarter of the current Soviet fiscal year, October 1, 1925, to January 1, 1926, showed an increase of 102 per cent over the same period of the previous year.

The figures for the quarter, in the various fields, in metric tons, are as follows:

| | 1925-26 Oct.-Dec. | 1924-25 Oct.-Dec. | Percentage of increase |
|----------------------|----------------------|----------------------|---------------------------|
| Krivoi Rog..... | 502,317 | 208,986 | 140.3 |
| Ural | 196,067 | 132,506 | 48.0 |
| Other Districts..... | 20,515 | 13,777 | 49.0 |
| Total..... | 718,899 | 355,269 | 102.3 |

The report stated that the amount of ore shipped to consumers during the quarter was 868,916 tons, partly from stocks on hand, an increase of about 150 per cent over the 342,994 tons shipped during the same period of last year. Much new building and equipment was reported, especially in the Krivoi Rog district, where eighteen mines were in operation as compared with six a year ago. The number of workers employed in all fields had increased 77 per cent over last year.

Increase in Output of Metal Industry

The metal industry of the Soviet Union showed a substantial increase in output for the first quarter of the current Soviet fiscal year, October 1, 1925, to January 1, 1926. Iron and steel production advanced from 16 to 31 per cent over the previous quarter, while copper smeltings showed no gain. The figures for the quarter, in metric tons, are as follows:

| | Tons | Per cent increase over previous quarter |
|------------------|---------|---|
| Pig Iron..... | 479,896 | 16 |
| Steel | 649,731 | 24 |
| Rolled Iron..... | 482,657 | 31 |
| Copper | 2,160 | none |

Metal Industry of the Ukraine

The metal industry of the Ukraine will increase its output by nearly 100 per cent during the present Soviet fiscal year ending September 30, 1926. By September nine metallurgical works will be in full operation, with 27 furnaces. In addition new metallurgical plants will be constructed at Krivoi Rog and Mariupol. It is planned to produce 1,725,000 tons of cast iron during the year.

Before the war the metal plants of the Ukraine furnished nearly 4 per cent of the world's production of cast iron. The output in 1913 was 2,917,000 tons of cast iron, 2,600,000 tons of steel, 2,100,000 tons of rolled iron. By 1916 production

had fallen greatly and by 1920 only one small furnace survived in workable condition in the whole country out of 48 in 1913. The revival began in 1921, but up to last year it was very slow.

Oil Production in First Quarter of 1925-26

Oil production in the Soviet Union for the first quarter of the current Soviet fiscal year, October 1, 1925, to January 1, 1926, was 1,903,800 metric tons, as compared with 1,681,449 tons for the same period of last year, an increase of 13.2 per cent. Drillings in Baku and Grozny were 46,061 meters, as compared with 30,943 meters for the same period of last year, an increase of nearly 50 per cent. Figures for refining at Baku and Grozny aggregated 1,589,800 tons.

The quarter was marked by an increase in the pumping output in Baku, while the bailing and gusher output decreased from the previous quarter. The gusher output in the Grozny fields increased to 69.3 per cent of the total, as compared with 59.4 per cent in the preceding quarter. In the Baku refineries the production of gasoline increased 50 per cent over the preceding quarter.

Production of Manganese Ore

Production of manganese in the Chiaturi mines of the Soviet Union, now operated by the Harri-man interests under a concession agreement, showed a big upward jump in the first quarter of the current Soviet fiscal year, October 1 to January 1. This is the first period of normal operation under the concessionary.

The output of ore for the quarter was 194,872 tons, as compared with 87,664 tons for the same period of last year, an increase of 126.5 per cent. The output of the concentrating plants was 111,582 tons, as compared with 70,233 tons for the same period last year, an increase of 60 per cent. The number of workers in the mines January 1 was 2,463, and in the concentrating plants 505. Mines in operation in December were 36, as compared to eight a year ago.

Exports of Chiaturi manganese for the quarter were 120,527 tons, as compared with 71,088 tons in the same period of the previous year, an increase of 70 per cent. It is estimated that about half the exports find their way to the United States.

Soviet Industries in January and February

Industrial production in the Soviet Union decreased by 2.6 per cent in January, as compared with December. In the principal industries the output was from 20 to 50 per cent greater than in January of last year.

Coal production decreased from 2,093,000 metric tons in December, to 2,007,000 tons in January, but was 45 per cent greater than in Jan-

uary, 1925. Oil production declined from 646,000 tons to 636,000 tons, but was 21 per cent greater than in January, 1925. The textile industry showed a slight decline in output as compared with December, but exceeded the output of January, 1925, by 35 per cent. The metal industry, on the other hand, advanced its production by 4 per cent over the December figure.

The gross output of the large-scale industries increased by 2.7 per cent in February, as compared with January.

Coal production increased by 5.6 per cent—from 2,007,000 metric tons in January to 2,119,000 metric tons in February, the output being 46 per cent greater than in February, 1925.

Oil production decreased by 8.2 per cent—from 636,000 metric tons in January to 584,000 metric tons in February; this figure is 15 per cent greater than the corresponding output in February, 1925.

The output of pig iron and steel decreased by 9.4 and 2.4 per cent respectively. The output of rolled iron increased by 5.2 per cent. The production figures in the metal industry were 164,000,000 tons for pig iron, 225,000,000 tons for Martin steel, and 177,000,000 tons for rolled iron. As compared with last year's figures for the same month, they show an increase of 83 per cent for pig iron, 59 per cent for Martin steel, and 64 per cent for rolled iron.

The cotton industry shows an increase of 3.2 per cent in the output of yarn (from 20,200 metric tons in January, to 20,800 metric tons in February), 6.3 per cent in the output of unfinished goods (from 170,000,000 meters to 181,000,000 meters), and 0.7 per cent for finished goods (from 166,000,000 meters to 167,000,000 meters). As compared with the output of February, 1925, the present figures show an increase of 40 per cent for yarn and unfinished goods, and 35 per cent for finished goods. The output of woolen yarn increased by 4 per cent and of finished woolen goods by 11.6 per cent. In the linen industry the output of yarn shows an increase of 7.1 per cent and of finished goods an increase of 9.9 per cent.

BOUND VOLUME THREE

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Soviet Foreign Trade in 1925-26

DRASTIC cuts in the export-import plan of the Soviet Government for the current fiscal year ending September 30 next were made necessary by disappointments in the internal grain-purchasing situation.

The foreign trade program for the year, fixed last summer at \$1,089,137,000, has been cut to \$723,575,000, a reduction of about one-third. Under the revised program the turnover for this year will be 12 per cent greater than that of the year 1924-25. Exports will be \$370,800,000 and imports \$352,775,000, giving a safe favorable margin. Imports have been cut all along the line, save in the case of industrial machinery, where the outlay of \$48,110,000 in the original plan has been increased to \$55,290,000.

Soviet Foreign Trade for January and February

Foreign trade of the Soviet Union for January shows a decrease of 18 per cent in exports, as compared with December, and an increase of 9 per cent in imports.

Exports were \$17,922,000, the lowest of the current fiscal year beginning October 1 last, and imports were \$31,415,000, giving a passive balance of \$13,493,000.

The increase in imports was mainly in the group of textile materials and fabrics. Increases were also registered in metals, agricultural machinery and tractors, and chemical products. Exports showed a general falling off, largely of a seasonal nature, in all commodities except grain, furs and flax. Grain exports for the month were valued at \$3,708,000, as compared with \$3,090,000 for December.

The foreign trade turnover of the Soviet Union for February was \$49,841,700, an increase of \$376,000 over January and of \$7,000,000 over the figure for February, 1925, according to the Soviet customs report. The figures are for the European frontiers only. Imports were \$27,604,000 and exports \$22,237,700.

The feature of the report was the marked increase of exports over January, \$4,274,500, with a decrease of \$3,898,500 in imports. The advance in the exports was principally in furs, flax and grain. Grain exports were valued at \$3,708,000, an increase of \$600,000 over January. The import list showed a general decline in virtually all commodities except apparel, dry goods and agricultural implements and machinery. Imports of tractors, all from the United States, were valued at \$2,400,000, as compared with \$150,000 in January.

Fur Exports from the Soviet Union

Last year set a new record for the exports of furs from the Soviet Union. The total exports for the Soviet fiscal year ending September 30, 1925, were upwards of \$33,000,000, as compared with \$26,500,000 the previous year. Of these exports furs valued at about \$14,000,000 found their way to the United States, a considerable portion of them through British and German middlemen. According to the Soviet customs figures 51 per cent of the fur exports were shipped to England, and 12 per cent to Germany.

Of the fur export business 54.9 per cent was handled through State trading organizations, 30.8 per cent through cooperatives and 14.3 per cent through mixed companies.

Federal and Local Budgets

THE Federal budget of the Soviet Union for the fiscal year 1925-26, ending September 31 next, has finally been fixed by the Council of People's Commissars at \$2,006,043,640. Revenues are estimated at \$51,500,000 in excess of expenditures. The surplus will be set aside as a reserve fund.

The growth of the Soviet budget is shown by the following figures:

| | |
|---------------|-----------------|
| 1918 | \$1,802,500,000 |
| 1922-23 | 762,200,000 |
| 1923-24 | 1,183,400,000 |
| 1924-25 | 1,481,100,000 |
| 1925-26 | 2,006,043,640 |

The Local Budgets of the Soviet Union

During the fiscal year 1923-24 (beginning October 1, 1923) the revenues of the local budgets amounted to 671,000,000 gold rubles, while the expenditures aggregated 649,000,000 gold rubles. In 1924-25 the local budgets show a considerable advance, the revenues increasing to 898,000,000 gold rubles while the expenditures rose to 899,000,000 gold rubles. Thus both the revenues and expenditures of the local budgets increased 38 per cent in the course of one year. In 1925-26 the revenues are to amount to 1,209,000,000 rubles, while the expenditures are to reach a total of 1,329,000,000 rubles. If the budget of 1924-25 is set at 100, then the corresponding figures for the budget of 1925-26 will amount to 134 for the revenues and 147.7 for the expenditures.

In 1924-25 the revenues derived from taxes constituted 39 per cent of the total, while those proceeding from other sources amounted to 44 per cent. These figures remain the same for 1925-26. Over 71 per cent of revenues other than taxes are obtained from the operation of municipal enterprises.

In the budget of the provincial and regional capitals tax revenues constitute 29.5 per cent, while other revenues constitute 64 per cent; in the township budgets tax revenues constitute 65 per cent, while other revenues constitute 23.3 per cent. Thus, the township revenues are chiefly derived from taxes.

In 1924-25 the expenditures for the maintenance of the administrative and judicial apparatus constituted 19 per cent of the local budget, the expenditures on education and social welfare 40 per cent, expenditures for the development of industries and agriculture 29 per cent, and other expenditures 12 per cent. A particular increase is to be noted in the expenditures for education and social welfare, which in the provincial capitals rose from 20 per cent in 1923-24 to 40 per cent in 1924-25.

In the provincial capitals 5 per cent of all the expenditures were spent on the administrative and judicial apparatus, 32 per cent for education and social welfare, and 55 per cent for economic development. Thus the expenditures for cultural needs and for the development of the national economy exceed all the other expenditures. The situation is quite different in the township budgets in which the expenditures for the maintenance of the administrative and judicial apparatus constitute 43 per cent, those for education and social welfare 41 per cent, and those for economic development 9 per cent.

A new project concerning local finances is at present under discussion. According to this project the local revenue resources are going to be increased while the expenditures are to be reduced. The local authorities will also have more autonomy in determining the objects of taxation and in establishing the rates.

The Agricultural Tax in the Soviet Federal Budget for 1925-26

The single agricultural tax is the only direct tax imposed at present upon the peasantry. In the preceding year the amount collected under the agricultural tax was very high. It aggregated 344,000,000 gold rubles, including tax deductions and additions for local budgets. Its proportionate share in the federal revenues was also very high, constituting practically 12 per cent of the entire budget, 13 per cent of the ordinary revenues and over half (56 per cent) of the total amount of direct taxes.

In 1924-25 the agricultural tax constituted quite a heavy burden upon the agricultural population. However, its high rate was dictated by the necessity of satisfying the urgent needs of the country and by the tasks connected with the consolidation of the achievements obtained thanks to the currency reform. The latter relieved the agricul-

tural population of additional burdens which it would have had to undergo in the case that paper currency should have been issued for the requirements of the budget.

The general economic advancement of the country in 1924-25 strengthened the financial power of the State and rendered possible a considerable reduction of the direct taxation of the peasantry for the purpose of facilitating a further growth of the productive forces of the country which is preeminently agricultural in character.

For this reason the Soviet Congress reduced the amount of the agricultural tax for 1925-26 to 235,000,000 gold rubles, that is by 32 per cent. It is obvious that in view of the simultaneous increase of the federal budget by 38 per cent, the part played by the agricultural tax as a federal source of revenue has decreased to a very considerable extent; its proportionate share in the entire budget constitutes at present less than 6 per cent; due to the insignificance of the extraordinary resources it constitutes about 6 per cent of the ordinary revenues, while in the total amount of direct taxes it occupies 40 per cent.

In order to appreciate sufficiently these measures taken by the Soviet Government with regard to the peasantry, it must be borne in mind that the aforesaid tax reduction was carried out in spite of the fact that in 1925 the harvest was better than during all the preceding years of the Soviet regime, while during the previous year which had a poor crop, the tax burden was heavier.

Thus it will suffice to mention that according to the estimate of the State Planning Commission the gross production of agriculture in 1924 (the field crops only) presented a value of about 13,300,000,000 gold rubles, while the production of 1925, according to the last estimates of the State Planning Commission, reached about 16,300,000,000 gold rubles, i. e., increased 23 per cent.

Thus the tax burden of the agricultural population was reduced by one-third, while the yield was almost 25 per cent higher and the prices for agricultural products increased considerably.

Of interest are also the average figures of the agricultural tax and of the gross agricultural yield per capita of the agricultural population. While in 1924-25 the agricultural tax per capita of the agricultural population amounted to about 3 rubles, this average amount was reduced to 2 rubles in 1925-26. On the other hand, the gross output which in 1924 amounted to 116 gold rubles, increased in 1925 to 140 gold rubles.

A comparison of the relation of the agricultural tax to the gross output of agriculture for these two years, shows the following figures: In 1924-25 2.6 per cent, and in 1925-26 1.4 per cent.

Simultaneously with the reduction of the agricultural tax, a decision was adopted according to

which the poorer strata of the peasantry are to be completely exempted from the agricultural tax, while the principle of progressive taxation is to be applied to the more prosperous strata of the agricultural population.

Inheritance and Donation Tax

ON January 29, 1926, the Central Executive Committee and the Council of People's Commissars of the Soviet Union issued a decree abrogating the restrictions concerning the amounts that can be transmitted through inheritance or donation. The decree entered into force on March 1, 1926.

Simultaneously another decree was issued on the same date concerning taxes to be imposed on properties transmitted through inheritance or donation. The following are the most important stipulations of the decree in question:

Properties belonging to foreign citizens, which are situated within the boundaries of the Soviet Union, and which are transmitted through inheritance to foreign citizens or to citizens of the Soviet Union, are assessed in the same manner as estates left within the boundaries of the Soviet Union by citizens of the Soviet Union, unless otherwise agreed between the Soviet Union and the foreign countries in question.

Estates whose value does not exceed 1,000 gold rubles are exempt from the tax.

The following deductions are made from the value of the estate in calculating the tax: (a) wages and salaries to be paid to the workers and other employees, as well as the arrears in the payment of social insurance; (b) compensation for medical assistance and for care during the time of the last illness of the person that left the estate; (c) expenses for the funeral of the deceased (the person that left the estate); (d) amounts due from the deceased for taxes, including the fines that accumulated up to the day of filing the estate; (e) debts of the deceased (except his debts to his heirs), either confirmed by documents, such as drafts, account books, etc., or established by court procedure, whether secured by collateral or not, to the amount of the capital not repaid up to the day of filing the estate, as well as the accrued interest.

In calculating the tax the following items are not included in the estate: (a) furniture and other household objects which are passing over to persons who lived together with the deceased, except articles of luxury; (b) insurance amounts which are to be paid out on the basis of personal insurance contracts; (c) copyrights and patents of inventions passing to the heirs of the author or

of the inventor; (d) the deposits of the deceased in State Savings Banks.

The heirs who accepted the estate are to pay in full the tax due from the estate in the course of one month after they are notified by the Department of Finance. The tax is to be paid by each heir proportionately to his share in the estate. In the case of donation, the amount of the tax is half that assessed in the case of inheritance as indicated below, and is calculated according to the value of the entire property transmitted through donation, regardless of the number of persons receiving donations under the same deed.

Tax exemption is granted on donations effected by deed not exceeding one thousand rubles, and on bequests in favor of the State, of charitable, medical, educational and learned establishments and organizations, as well as in favor of public organizations the list of which is approved by the People's Commissariat for Finances of the Union of Socialist Soviet Republics and by the People's Commissariats for Finances of the Constituent Republics.

The tax rates on properties transmitted through inheritance are as follows: On properties valued from 1,000 to 2,000 rubles—1 per cent; from 2,001 to 6,000 rubles—20 rubles on the first 2,000 rubles and 5 per cent of the balance above the first 2,000 rubles; from 6,001 to 10,000 rubles—220 rubles on the first 6,000 rubles and 8 per cent of the balance above the first 6,000 rubles; from 10,001 to 40,000 rubles—540 rubles on the first 10,000 rubles and 10 per cent of the balance above the first 10,000 rubles; from 40,001 to 100,000 rubles—3,540 rubles on the first 40,000 rubles and 25 per cent of the balance above the first 40,000 rubles; from 100,001 rubles to 200,000 rubles—18,540 rubles on the first 100,000 rubles and 40 per cent of the balance above the first 100,000 rubles; from 200,001 rubles to 500,000 rubles—58,540 rubles on the first 200,000 rubles and 60 per cent of the balance above the first 200,000 rubles; over 500,000 rubles—238,540 rubles on the first 500,000 rubles and 90 per cent of the balance above the first 500,000 rubles.

Banks in the Soviet Union

THE statement of the State Bank of the U. S. S. R., as of January 1, 1926, shows a balance of \$1,313,495,287, as compared with \$1,169,828,933 for October 1 last, at the beginning of the Soviet fiscal year. For the same period the assets in bullion, coin, precious metals and foreign currency showed a slight falling off, being \$145,504,433 January 1, as compared with \$153,355,563 October 1.

The statement, in chervontzi, with a value of \$5.15 per chervonetz, follows:

LIABILITIES

| | Chervontzi | Rbs. | Cop. |
|--|--------------------|----------|-----------|
| Capital | 10,000,000 | 0 | 00 |
| Reserve Fund..... | 1,500,000 | 0 | 00 |
| Undivided Profits for year 1924-25 | 6,213,628 | 5 | 87 |
| Note Issue..... | 78,136,357 | 0 | 00 |
| Deposits and Current Accounts..... | 107,034,774 | 1 | 47 |
| Transfers | 415,589 | 8 | 49 |
| Government Funds for Loans to Industry and Agriculture..... | 22,781,621 | 3 | 32 |
| Commission and Interest..... | 4,784,093 | 3 | 76 |
| Offices, Branches and Agencies..... | 10,038,437 | 6 | 74 |
| Other Liabilities | 14,173,514 | 7 | 42 |
| Total..... | 255,028,016 | 7 | 07 |

ASSETS

| | Chervontzi | Rbs. | Cop. |
|---|--------------------|----------|-----------|
| Cash | 9,854,087 | 6 | 25 |
| Bullion, Coin, Precious Metals and Foreign Currencies..... | 28,253,288 | 1 | 37 |
| Securities | 10,802,472 | 4 | 53 |
| Goods | 37,245 | 4 | 14 |
| Bills and Loans..... | 150,072,376 | 4 | 56 |
| Loans Against Merchandise..... | 20,121,302 | 1 | 25 |
| Special Loans to Industry and Agriculture on Account of Peo- ple's Commissariat of Finance... | 22,829,017 | 1 | 25 |
| Commission, Interest and Other Charges, etc..... | 1,597,627 | 4 | 85 |
| Office Branches and Agencies..... | 11,460,099 | 8 | 87 |
| Other Assets..... | 11,460,099 | 8 | 87 |
| Total..... | 255,028,016 | 7 | 07 |

The Soviet State Bank is rapidly extending its network of branch banks, which are already located in every port and industrial and commercial centre of the Soviet Union. There were 390 branches and agencies of the bank in October, 1924, which by October, 1925, had increased to over 450.

Money Transfer Operations of Soviet Banks

In the course of the first quarter of the fiscal year 1924-25 five of the most important Soviet banks of federal scope—viz. the State Bank, the Bank for Foreign Trade, the Industrial Bank, the All-Russian Cooperative Bank and the Moscow City Bank—received from abroad money transfers amounting to 36,787,000 gold rubles. During the same period the sums transferred to foreign countries through the same banks amounted to 89,314,000 gold rubles; 68.9 per cent of the amounts received and 69.2 per cent of the amounts transferred were handled by the State Bank. The second place with regard to the amount of the sums transferred (17,332,000 gold rubles) and the third place with regard to the sums received is held by the Bank for Foreign Trade.

The sums received from England amounted to 15,464,000 gold rubles, while the sums transferred to that country amounted to 35,336,000 gold rubles. The second place is occupied by Germany from which 10,257,000 gold rubles were

received and to which 25,411,000 gold rubles were transferred. After Germany comes the United States, from which 4,738,000 rubles were sent to the Soviet Union.

Financial Items

THE internal State Debt of the U. S. S. R., as of January 1, 1926, amounted to 499,933,000 rubles (\$257,465,000). The debt was divided into the following categories:

| Description | Gold Rubles |
|---|--------------------|
| First lottery loan, 1922..... | 98,935,000 |
| Second lottery loan, 1924..... | 69,774,000 |
| First peasant loan..... | 37,911,000 |
| Second peasant loan..... | 46,661,000 |
| 8 per cent domestic guaranteed gold loan..... | 68,118,000 |
| 5 per cent short term loan, 1925..... | 10,000,000 |
| Short term treasury bonds..... | 106,234,000 |
| Economic reconstruction loan..... | 62,300,000 |
| Total..... | 499,933,000 |

Purchase of Old Silver Coins

The People's Commissariat for Finances of the Soviet Union is undertaking the purchase of silver of Tsarist coinage which is still in possession of the population.

In the course of 1924-25 the People's Commissariat for Finances purchased from the population old silver coins in the amount of 60,000,000 rubles. According to approximate estimates there are still in possession of the population silver coins amounting to 150,000,000 rubles nominal value. In purchasing the old coins the Government pays 68 kopecks per silver ruble.

FINANCIAL STATEMENT

of the
Issue Department
of the
SOVIET STATE BANK
on April 15, 1925

| Assets | Chervontzy |
|---|-------------------|
| Gold (coin and bullion) | 14,727,275 |
| Platinum (bullion) | 3,039,637 |
| Foreign Currency | 5,020,096 |
| Drafts in Foreign Currency | 191,275 |
| Bills in chervontzy | 54,935,850 |
| Securities covering advances | 85,867 |
| Total | 78,000,000 |
| Liabilities | Chervontzy |
| Notes transferred to State Bank..... | 72,206,049 |
| Balance to which notes may still be is- sued | 5,793,951 |
| Total | 78,000,000 |
| 78,000,000 chervontzy equal 780,000,000 gold rubles. | |

The New Tariff of the Soviet Union

ON March 5, 1926, the Council of People's Commissars of the Soviet Union adopted a decision changing the customs tariff on a number of articles imported to the Soviet Union across the European frontier. According to the decision in question, the following rates are to be applied to the items below:

Section 57. Leather Manufactures: (1) Boots and shoes of every description, except those separately designated, finished or partly finished: 25 rubles per kg. (2) Leather boots and shoes up to 500 gm. per pair, and also those made of silk, half-silk, tinsel, in combination with leather, finished or partly finished: 50 rubles per kg. (3) All kinds of leather gloves: 70 rubles per kg. (Note: The duty for gloves, cut out but not sewn—70 rubles per kg.) (4) Small leather articles up to 410 gm. per piece, such as ladies wallets, purses, money-bags, portfolios, cigar cases and pocketbooks, even if partly made of other materials (provided they do not belong to the class of valuable fancy goods): 25 rubles per kg. (5) Valises, trunks, bags and similar articles (except those mentioned in the preceding paragraph), hunting supplies made of leather, heavy jute and hemp fabrics, if combined with leather; all other leather articles, not specifically mentioned, even if they contain parts made of metal or other materials (unless they are to be classified as valuable fancy goods): 25 rubles per kg.

Section 119. Cosmetics and aromatic substances: (1) White toilet powder, rouge, hair dyes not containing alcohol, pastils and pastil-paper, cosmetic preparations of all kinds not separately designated: 70 rubles per 1 kg. gross weight. (2) All kinds of perfumery and cosmetic preparations containing alcohol, e. g., scents, aromatic waters, elixirs, etc.; also pomades, except those mentioned in subdivision (3) of Section 119: 175 rubles per 1 kg. gross weight.

Section 120. Soap: (1) Toilet and medical soap, whether liquid, in powder or in cakes: 7.5 rubles per 1 kg. gross weight.

Section 123. (2) Flint-stones for tinder-boxes (pyrophoric alloyages): 75 rubles per kg.

Section 172. (8) All kinds of musical instruments not separately designated; accessories to musical instruments (except those that are separately designated) which are separately shipped, such as violin bows, catguts and silk chords (metal strings and pegs for upright and grand pianos are admitted under corresponding sections of the tariff according to the material of the articles); leather for cleaning flutes and clarinets, music rolls, discs, and sheets for playing on automatic musical instruments (even if they are im-

ported together with the instruments), metronomes, tuning forks, etc.: 8 rubles per kg.

Section 199. Woolen fabrics, not separately mentioned: (1) Grades of less than 2.5 square meters per kg.: 15 rubles per kg. (2) grades of from 2.5 to 3.75 square meters per kg.: 20 rubles per kg. (3) grades of over 3.75 square meters per kg., as well as fabrics of any weight made of fancy material: 20 rubles per kg.

Section 205. (1) "b." All kinds of knitted and plaited articles and trimming, except those separately mentioned: 50 rubles per kg.

Section 209. Underwear and other clothing, partly or wholly made up: (3) "b." Men's woolen clothing, trimmed or untrimmed: 50 rubles per kg. (4) Women's and children's apparel and other articles of clothing, except those specially mentioned, of any kind of fabric, except silk or half-silk: (a) without trimming mentioned under "b" of this section: 60 rubles per kg. (b) if trimmed with ribbons, laces, embroidery, etc. (the trimming predominating over the material), the garments and articles of apparel mentioned in this section are admitted according to paragraph (5) of section 209: 100 rubles per kg.

Section 210. Hats and caps finished and semi-finished: (1) Hats, and caps; (a) hats of silk fabrics or silk mixtures: 25 rubles each. (b) Hats of hair, half-hair, felt, or of fabrics of any kind, except those mentioned under (a) of this section, and also fur caps: 20 rubles each. (c) Leather hats of all kinds: 20 rubles each. (d) Hats made of straw or other plaiting material, or prepared from various materials, including silk, even with the admixture of tinsel: 100 rubles per kg. (2) Hat bodies felted of fur and wool, dyed and undyed, without any signs of being shaped into hats: 6 rubles per piece.

Section 212. Buttons, studs, buckles, clasps, eyelets, hooks for garments, for footwear and for gloves: (1) Of mother of pearl, even with insertions of non-precious metals, except those mentioned under (3) of section 212: 20 rubles per kg. (6) Of bone, as well as all other kinds, except those separately mentioned: 20 rubles per kg.

Section 215. Fancy goods and articles of apparel, not separately designated, whole or in parts, such as cigar cases, ash trays, fans, rings, bracelets, earrings, hair brushes, tooth brushes, etc., provided each piece weighs not more than 1.3 kg.; toys for children; all kinds of articles not separately mentioned, made of mother of pearl, tortoise-shell, ivory or fossil-ivory, enamel, amber, bone, horn, gallalith, meerschaum, black amber, celluloid, viscose, lava, wax, and paraffin: (1) valuable articles containing silk, tinsel, gold-silver- and platinum-plated metals, mother of pearl, tortoise-shell, ivory or fossil-ivory, enamel, amber, and artificial flowers made of yarn and

fabrics; all kinds of articles not separately listed, made of mother of pearl, tortoise-shell, ivory, fossil-ivory, enamel or amber: 100 rubles per kg. (2) plain articles made of plain bone, horn, wood, plain metals not plated with either gold, silver or platinum, glass, and other ordinary materials, all kinds of articles not separately mentioned, made of horn, plain bone, meerschaum, black amber, celluloid, gallalith, viscose, lava, wax, and paraffin: 30 rubles per kg.

Section 216. Writing, drawing or painting accessories except those mentioned in other sections, complete or in parts, such as: Pens, pencils, pencil-holders, pen-holders, inkstands, seals weighing—without accessories—not more than 0.6 kg. apiece; clips, paper fasteners, all kinds of slate-pencils, white and colored crayons, etc.: 3 rubles per 1 kg. gross.

In Section 177, (12) of the customs tariff across the European frontier sensitive paper is to be left out. Under (14) of the same section the following insertion is to be made: (14) Sensitive paper: 5 rubles per kg.

The new tariff entered into force on March 15, 1926.

The Recovery of Georgia

IN the course of the five years since the establishment of the Soviet Republic of Georgia, this part of Transcaucasia has shown remarkable progress in all branches of its economic life.

In 1914 the area under cotton was 35,000 acres; in 1920, at the time when the Government of Georgia was in the hands of the Mensheviks, this area was reduced to 3 per cent of its pre-war extent. By 1925 it had risen to 70 per cent of the pre-war level.

Tobacco plays a very important part in the national economy of Georgia. In 1914 the tobacco plantations occupied 27,000 acres; that area was reduced to 4,000 acres in 1920, and in 1926 it had increased to 21,600 acres.

Before the war the tea plantations produced about 360,000 English pounds of tea; at the time when the Mensheviks ruled the country (from 1917 to 1921) the production was practically reduced to nil, and in 1925 the output had risen to 595,000 pounds of the best tea.

A similar situation prevails in the silk growing industry. In 1913 the output was 1,557 tons of dried cocoons; in 1920 the output had dropped to about 800 tons, and in 1925 it increased to 2,300 tons.

The area under grain crops was 1,917,000 acres in 1913, in 1921 it was 1,293,000 acres, in 1923, 1,255,000 acres and in 1925, 1,655,000.

The cultivation of fruits and vegetables is a considerable source of income to the Georgian

Republic. Only 40 per cent of the crops is consumed or canned in Georgia, the balance being exported abroad. While in 1917 the area occupied by fruit gardens was 19,700 acres, it rose to almost 23,000 acres in 1923.

Before the war 310,000 acres of land were irrigated; during the war and the rule of the Mensheviks the irrigation system was neglected. The Georgian Soviet Government plans to irrigate over one million acres. Over 216,000 acres are being irrigated at present and activities on a large scale are being conducted.

Georgia is very rich in timber. The forest area covers 5,900,000 acres and the timber industry of the country has a great future. Large saw mills are under construction in two places, as well as plants for the construction of barges, and for the manufacture of staves and chairs of bent wood.

About 20,000,000 gold rubles were spent by the government in the course of the five years since the establishment of the Soviet system for the electrification of the country. This will be of great importance both for the timber industry and for all the municipal construction activities. Aside from electrical stations of purely local importance three large stations with an aggregate power of 45,000 horsepower were constructed in Georgia in the course of the last few years.

The great forest and water power resources constitute a favorable basis for the development of the paper industry. Activities in this direction were started in 1925. It is estimated that the total value of the first paper factory will be 8,000,000 gold rubles.

The textile industry is also growing. In 1925 there was one cloth factory in existence in Kutais, at present another cloth factory is being built in Tiflis.

The export of manganese ore was 1,080,000 metric tons in 1913; in 1917 the export was 6,500 metric tons, in 1919, 5,000 metric tons, in 1922, 170,000 metric tons, and in 1924, 483,000 metric tons.

The progress of industry has greatly surpassed that of agriculture. While the output of agriculture dropped from 95,700,000 gold rubles in 1913, to 87,500,000 gold rubles in 1924, the output of the urban industry increased from 8,600,000 gold rubles in 1913, to 15,500,000 gold rubles in 1924.

Both the railway system and the postal and telegraph system concluded the past fiscal year 1924-25 without a deficit, the railways showing a net profit of 2,000,000 gold rubles and the postal system a profit of several hundred thousand rubles.

Simultaneously with the growth of industry and agriculture there is to be noticed a general growth of the budget. The budget of the Republic of Georgia which amounted to 9,000,000 gold rubles in 1923-24, increased in 1925-26 to

18,000,000 gold rubles. The local budget amounted to 7,100,000 gold rubles in 1923; in 1925-26 it was over 25,000,000 gold rubles.

While during the rule of the Mensheviks (1917 to 1921) the economic life of Georgia was on the downgrade, the present situation and the budget of the republic show considerable improvement.

A Mandate on Georgia

An interesting contribution to the history of Allied intervention in Russia and to the fate that was held in store for Georgia was made recently during the proceedings of a trial in Rome. The managing board of the Italian bank "Banca Italiana Disconto" was on trial before the Senate, which in some cases acts as the Supreme Court of the country. In examining the various enterprises started by the bank in the course of the last few years, the Court was confronted with the existence of a "Italo-Caucasian Bank." Called to explain the purpose of this institution, Mr. Poliani, one of the members of the indicted board of managers, made the following statement, according to the Paris *Temps* of February 23, 1926 (reprinted in the Moscow *Pravda* of March 2, 1926):

"The events took place in 1919. Italy was deeply offended by the reception with which her demands had met in Paris. At that time the question was raised as to the necessity of offering to Mr. Orlando, the then Prime Minister of Italy, a mandate on Georgia in order to compensate Italy for the refusal of granting her a mandate on Syria, Palestine and Mesopotamia, which were granted to France and England. The mineral resources and oil deposits of the country were praised to the Italian Minister. Notwithstanding his previous disappointments, Mr. Orlando did not deem it possible to reject this offer. By way of precaution, however, he sent to Georgia a mission headed by Senator Conti. On its return the Mission made a report recommending the acceptance of the mandate. A military expedition under the command of one of the generals was prepared. There was, however, no money. Thus the idea of establishing the "Italo-Caucasian Bank" was originated. The "Banca Italiana Disconto" gave the millions necessary for that purpose."

In the meantime the Orlando cabinet was overthrown. Orlando's successor, Nitti, renounced the Georgian mandate and the military expedition. The expedition in question was to be the advance guard of the "White" armies in their struggle to overthrow the Soviet regime.

In 1919 Georgia was ruled by the Mensheviks, who were well aware of the purpose of the Conti mission and the plans of the Allied powers.

Fifth Anniversary of Georgian Soviet Republic

On February 25, 1926, the Soviet Republic of Georgia celebrated the fifth anniversary of its existence. On the same date the Moscow *Izvestia*, official organ of the Central Executive Committee of the Soviet Union, published the telegrams sent to the Central Executive Committee and to the Council of People's Commissars of Georgia by responsible officials of the Soviet Union.

The telegram sent by Mr. A. I. Rykov, Chairman of the Council of People's Commissars of the Soviet Union, reads in part:

"On the fifth anniversary of the existence of Soviet Georgia I am transmitting through you my greetings to the free people of Georgia.

"Under the rule of the Tsars, Georgia was for many decades a colony of imperialist Russia. After the downfall of absolutism, it became a bulwark of world imperialism in its struggle against the Workers' Republic. Five years ago Georgia joined the Union of Soviet Socialist Republics, and for this reason the 25th of February is a historic day, not only for the Georgian people, but also for all the peoples of the Soviet Union."

On the same occasion Mr. M. I. Kalinin, President of the Central Executive Committee of the Union of Soviet Socialist Republics, sent a message to the Georgian Republic, which reads in part:

"February 25th marks the conclusion of the fifth year of the existence of the Georgian Soviet Socialist Republic.

"Five years ago the workers and peasants of Georgia, under the leadership of the Communist Party, overthrew the rule of their own nobility and bourgeoisie and repulsed all the attempts of international imperialism directed against the independence of Georgia.

"On this memorable day of which the fifth anniversary of the independent Workers' and Peasants' Republic of Georgia is being celebrated, I am sending to the liberated Georgian people sincere congratulations and wishes for further success in the strengthening of the young Georgian Republic."

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

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

ON April 5, 1926, Mr. Tchitcherin, Commissar for Foreign Affairs, made public the final answer of the Soviet Government rejecting the invitation of the League of Nations to take part in the Disarmament Conference in Geneva. The rejection of the invitation was caused by the attitude of the Swiss Government which refused to offer to the Soviet Government proper apologies for the assassination in Lausanne of Mr. Vorovsky, Soviet Ambassador to Italy, and by the attitude of the inviting powers which declined to select another place for the conference.

The Soviet-Norwegian Trade Agreement

In the beginning of March the Soviet-Norwegian trade agreement was ratified by the governments of the two countries concerned. The structure of the new agreement resembles the Soviet-Italian trade agreement and is much less complicated than the trade agreement with Germany, the mutual relations between the Soviet Union and Norway being much simpler and not requiring such careful juridical regulations.

The trade operations between the Soviet Union and Norway do not cover a wide range of articles. Grain products, particularly rye, constitute more than half of the Soviet exports to Norway, and not less than 50 per cent of Norway's imports to the Soviet Union consist of fish—herring and codfish.

The agreement deals with: (1) the appointment of consular representatives; (2) with the right of citizens of each of the two countries to enter or to leave the other country, to sojourn in it, to engage in trade, etc.; (3) the rights of juridical persons (corporate bodies); (4) inheritance; (5) arbitration courts in commercial matters; (6) transit trade, etc.

The new agreement which took the place of the old agreement of 1921 represents a notable progress in the mutual economic relations of the two countries.

The New Soviet Representative in Norway

On March 27, 1926, the Presidium of the Central Executive Committee of the Soviet Union, upon request of Mrs. Alexandra Kollontai, decided to relieve her of her post as diplomatic representative of the Soviet Union in Norway, and to appoint in her stead Mr. Alexander Makar.

Foreign Consular Representatives in the Soviet Union

In its issue of January 1, 1926 the *RUSSIAN REVIEW* published an official list of the foreign consular representatives in the Soviet Union. Since that publication, the number of consular representatives has been increased, the list given below containing the additions—as of February 15, 1926—to the original list mentioned above:

China: A consul at Tashkent; a consul at Andijan; a temporary consular agent at Saratov; a consul at Zaisan. There is no longer a consular office at Kharkov, as mentioned in the preceding list.

Esthonia: A consul at Leningrad.

Germany: A consul at Vladivostok, covering the Far Eastern Region and Northern Sakhalin; a consul at Kiev, covering the districts of Kiev, Chernigov, Zhitomir, and Vinnitza in the Ukrainian Soviet Republic; a consul general at Kharkov, covering the Ukrainian Soviet Republic; a consul at Odessa, covering the district of Odessa in the Ukraine, and the Crimean Autonomous Soviet Republic; a consul general at Tiflis, covering the Transcaucasian Soviet Socialist Federation.

Japan: A consul general at Vladivostok, covering the Vladivostok District of the Maritime Province; a consul at Odessa, covering the District of Odessa in the Ukrainian Soviet Republic.

Persia: A consul at Leningrad; a consul at Rostov-on-Don.

Poland: A temporary consul general at Minsk.

Turkey: A consul at Erivan.

International Maritime Conventions

On February 2, 1926, the Council of People's Commissars of the Soviet Union adopted the decision to recognize as valid for the U. S. S. R.:

1. The international convention for unifying a few regulations concerning the collision of ships, signed in Brussels on September 23, 1910.

2. The international convention for unifying a number of regulations concerning assistance and salvage at sea, signed in Brussels on September 23, 1910.

3. The international convention concerning the protection of undersea telegraph cables, signed in Paris on March 14, 1884, jointly with the declaration signed in Paris on December 1, 1886, and the protocol signed in the same city on July 7, 1887."

P A M P H L E T S

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.

Miscellaneous News

International Exhibition at Tiflis

Over a score of American firms and corporations, including the principal manufacturers of agricultural machinery, have shipped their products for exhibition at the international exposition to be held in Tiflis, in the Soviet Republic of Georgia, May 1 to June 30. Other American exhibitors will ship their offerings on the steamship Betty Maersk, which was loaded for Batum at Stapleton, New York.

Among the concerns whose products are already en route for Tiflis are the Ford Motor Co., New York City; International Harvester Co., Chicago; New Holland Machinery Co., New York; Oliver Chilled Plow Works, South Bend, Ind.; Schramm, Inc., New York; Sherman and Shepard, New York; Stover Mfg. Co., Freeport, Ill.; Allis Chalmers Mfg. Co., Milwaukee, Wis.; A. J. Alsdorf Corp., Chicago; American Saw Mill Machinery Co., New York; American Seeding Machinery Co., Springfield, O.; Athens Plow Co., Troy, O.; C. E. Brown Co., Rochester, N. Y.; Burch Plow Works, Crestline, O.; Cleveland Tractor Co., Cleveland, O.; Cockshutt Plow Co., Brantford, Canada; Detroit Harvester Co., Detroit, Mich.; Ellis-Keystone Agricultural Works, New York City; Emerson Brantingham Implement Co., Rockford, Ill.; "Friend" Mfg. Co., Gasport, N. Y.; Messinger Mfg. Co., Tatamy, Pa.

Most of the manufacturers have sent their products through the Amtorg Trading Corporation of New York, the leading organization in American-Soviet trade. The Ford Motor Company, which has taken 2,500 square meters of space at the Exposition, has sent five representatives to Tiflis, and the Allis-Chalmers Company and the Emerson-Brantingham Implement Company of Rockford, Ill., have also sent representatives.

The Exposition promises to be the largest ever held in the Transcaucasian section of the Soviet Union. Exhibitors from all the leading countries will be represented. The fair grounds will cover 70 acres. The occasion is the fifth anniversary of the Soviet Republic of Georgia.

Improvements at the Port of Odessa

Until recently foreign vessels which intended to make a stop at the port of Odessa had to stay for a certain time in the outer roadstead and to keep their machines in operation before they were permitted to enter the harbor. This meant both waste of time and of fuel. Now these inconveniences have been removed. Foreign vessels are at present permitted to enter the port immediately, whereupon the customs inspection takes place.

Railway Freight Traffic in the U. S. S. R.

In 1924-25 the freight traffic of the Soviet Union reached 63 per cent of the pre-war level. According to plan, the freight traffic is to reach 75 per cent in 1925-26. The first quarter of 1925-26 (i. e., October, November and December, 1925) showed an increase of 10.5 per cent over the plan, and the second quarter is showing tendencies toward a still larger increase. Thus it may be expected that in the course of the present fiscal year the freight traffic will reach 90 per cent of the pre-war level.

Airplane Service Between Berlin and Vladivostok

A fifty-hour airplane service between Berlin and Vladivostok, the principal Soviet port on the Pacific, will be opened this year. Regular service will be maintained on the route of nearly 5,000 miles, the planes flying day and night. At present the running time by rail between Berlin and Vladivostok via the Paris-Vladivostok express is 13 days, 4 hours.

The new air line is being organized by the German-Soviet Air Service Company ("Deruluft") in conjunction with the German company Aero-Lloyd. From Vladivostok a special connecting airplane line will go to Tokio.

Stops will be made at Moscow, Omsk and Irkutsk. Flying bases have already been established for the planes in these cities and in Vladivostok. Regular airplane service between Berlin and Moscow has been conducted for the past two years. Last year 1,741 passengers were carried and 395,500 pounds of goods, including mail.

The Chinese University in Moscow

The Chinese Sun-Yat-Sen University in Moscow, which was opened last year, has at present an attendance of 286 students, including 46 Chinese women. The bulk of the attendance are Chinese students who had studied at the higher educational establishments of China and Europe, particularly of Germany and France.

The program of studies is calculated to cover two years. The following subjects are being taught: History of the Western Countries; History of China; History of the Oriental Countries; Political Economy; Economic Geography, etc.

The lectures are being delivered in Russian, German, French, and English. The University is connected with two auxiliary institutions devoted to Orientology and Economics. Karl Radek is the Director of the University.

A community house has been placed at the disposal of the students in connection with the University. It contains a library, a reading room, a dining room, a club room, etc.

The Death of A. A. Brussilov

A. A. Brussilov, Commander of Russia's southwestern front during the World War and in supreme command in 1917, under Kerensky, died in Moscow on March 17, 1926. Throughout the Revolution and the Civil War he had remained a loyal citizen of the Soviet Republic where he occupied the high and responsible post of Inspector of the Cavalry Forces of the Red Army.

The Autonomous Industrial Colony "Kuzbas"

In its issue of March 1, 1926 the RUSSIAN REVIEW printed an article concerning the Autonomous Industrial Colony "Kuzbas" which is engaged in operating the rich coal deposits of the Kuznetz Basin, situated in southwestern Siberia. Further particulars about the activities of this organization were published recently in the American technical publications *Coal Age* and *Industrial Management*. The articles in question, viz. "Coal Mining in the Kuznetz Basin of Siberia," by Albert Pearson, Jr., and "Labor Problems in a Siberian Plant," by Samuel S. Shipman, C.E., have been reprinted and published separately. They may be obtained upon request from the New York Office of the "Kuzbas" Colony, 799 Broadway, Room 402, New York.

Scientific Congresses in the Soviet Union

A number of congresses and conferences dealing with various aspects of medical activities are being organized in the course of this year by the Commissariat for Public Health. The All-Russian Tuberculosis Congress is to be held in the course of April in Moscow. The All-Union Conference for Combating the Plague will take place in the same city in August. Leningrad will be the seat of the All-Union Obstetrico-Gynecological Congress to be held in May. The All-Russian Congress of Oculists, the All-Union Congress of Railroad and Water Transport Physicians, the Tenth All-Russian Congress of Bacteriologists, Epidemiologists and Hygienists, and the All-Union Therapeutical Congress will be held in Moscow in the course of May.

Several congresses were organized by the People's Commissariat for Public Education of the Russian Socialist Federal Soviet Republic (Soviet Russia proper). The Congresses of Botanists and of Physicists took place in Moscow in January and in March respectively. A Conference on the Study of Peasant Art took place in March. In May there is to be held a Congress of Physiologists in Leningrad, while in the course of the third or fourth quarter of 1926 there is to be held in Moscow a Congress of Geologists, and a Congress of Archeologists and Museum Specialists. At about the same time a Scientific Pedagogical Conference for the Organization of an Association of Naturalists will be called in Moscow.

The Great Soviet Encyclopedia

The first volume of the Great Soviet Encyclopedia was published recently in Moscow. It contains 832 pages, is printed on good paper and has numerous illustrations. The Encyclopedia is to be complete in thirty volumes, which will appear in the course of the next five years. The work is being published under the joint editorship of N. I. Bukharin, V. V. Kuybyshev, M. N. Pokrovsky, G. I. Broido, N. L. Mescheriakov, L. N. Kritzman, Y. Larin, G. M. Krzhizhanovsky, V. P. Miliutin, N. Osinsky, E. A. Preobrazhensky, K. Radek, I. Stepanov-Skvortzov, and O. Schmidt.

Sports in the Soviet Union

The younger generation in the Soviet Union is taking to sports of all kinds to an extent undreamed of in the Empire of the Tsar, when all popular public gatherings were viewed with suspicion by the authorities. Soviet newspapers give increasing attention to athletic events.

During the past winter inter-city matches in hockey, football and skating, and the various skiing championships evoked intense public interest. A record-breaking crowd is reported to have attended the final hockey match between the teams representing Moscow and Leningrad, won by the latter by the close score of 4 to 3.

When the Moscow Football Team returned from France after blanking the French Champion team 5-0 and 4-0 in Paris, the Soviet papers expressed great enthusiasm and ran interviews with the athletic heroes. A little later they were proclaiming another international victory. Soviet ski-runners who had entered the international contests in Finland finished first in the distances of 500, 1,500, 5,000 and 10,000 meters, and every Soviet citizen was proud of this unexpected victory against the best ski experts of Finland and Scandinavia.

Athletic organizations by the thousands have been springing up in the schools and colleges and among the organizations of workers. The Soviet authorities have encouraged their development. Several conferences on athletics and physical culture were held in Moscow and other cities during the winter, attended by representative physicians, teachers and experts on physical culture. A Supreme Council of Physical Culture has been formed under Government auspices which is engaged in standardizing championship contests and making decisions on new national records in all sports.

Girls and young women as well as boys and young men are entering the athletic contests by the thousands.

This spring it is planned to enter Soviet teams in athletic contests in Czechoslovakia, Latvia and other countries.

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Vol. IV, No. 10

The International Situation of the Soviet Union

Agricultural Progress in the Soviet Union

Sea and Railroad Transport in the Soviet Union

Soviet Experts in the United States

Foreign Trade Turnover of the Soviet Union

Soviet Finances

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RUSSIAN REVIEW

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The International Situation of the U. S. S. R.

THE Central Executive Committee of the Soviet Union convened in Moscow during the second part of April, 1926. At the session of April 24, Mr. Maxim Litvinov, Acting Commissar for Foreign Affairs of the Soviet Union, delivered the following speech on the international situation of the U. S. S. R.:

In surveying recent international events one cannot help dwelling upon the most outstanding fact—the unsuccessful conclusion of the last session of the League of Nations and of the Council of the League of Nations, which thoroughly discredited the League itself and struck a serious blow at the Locarno policy of the powers concerned.

The interested powers could not come to an understanding with regard to the composition of the Council of the League, and as a result the carrying out of the Locarno agreements was adjourned to the Fall, with the outcome in the Fall left in doubt. Thus, the formation of a united front has failed to materialize, for the time being, at least. This situation is an evidence that the great powers are still separated by radical disagreements, and that neither the Locarno Conference nor the “peace-creating” atmosphere of the League of Nations was able to remove, or even to weaken them.

In the face of these differences, which were by no means fully disclosed at Geneva, the attempt of the League of Nations to call a Disarmament Conference promised little success even if the Soviet Union should have been admitted to participation in the conference.

The decision of the Council of the League to keep the Soviet Union from participation in the preparatory commission, and consequently from the Disarmament Conference itself, a procedure effected through the choice of a place to which the Soviet Government definitely and categorically refused to send its delegates, shows that the failure of the conference is the conscious aim of the policy of the powers heading the League of Nations.

It is useless to dwell in detail upon our correspondence with the League of Nations on that subject, and upon our explanations as to the Soviet Government's inability of sending delegations to Switzerland. I may state only that to our detailed arguments the League of Nations was unable to oppose a single reason in favor of maintaining Geneva as the seat of the Conference, if we leave aside the ridiculous and childish motives attributed to the League by the bourgeois

press, such as the difficulties of transferring the technical apparatus, i. e., the pens and the inkstands, from the Secretariat of the League to another city, or the “unwillingness to give in to the Soviets.”

Thus we will have to take notice of the fact that while inviting us to collaborate with it, the League of Nations does not deem it possible to accede even to the most reasonable request if it emanates from the Soviets, though this request does not infringe upon anybody's interests or upon anybody's convenience.

I wish to add that after the first Soviet note was sent to the League of Nations we informed the governments of some countries closely connected with the Council of the League of Nations that the rejection of our proposal to hold the conference outside of the boundaries of Switzerland would be considered by us as a conscious exclusion of the Soviet Union from participation in the Conference, and as a challenge which would render difficult any further collaboration of the Soviet Government with the League of Nations, even such as is carried on by us within the present modest scope despite our general attitude of opposition to the League. If, nevertheless, the Council of the League of Nations, which had among its members representatives of governments that were forewarned by us, again confirmed the decision of maintaining Geneva as the seat of the Conference, then this decision and the motives which prompted it can be judged only as the People's Commissar for Foreign Affairs judged it in his last note to the League.

It was not difficult to foresee beforehand that the most unscrupulous among our adversaries would not resist the cheap temptation of representing our rejection of Switzerland as a sham covering our hidden desire to disengage ourselves from participation in the disarmament question. We may quietly disregard such insinuations which will not be able to deceive any one. It is common knowledge that our Government not only constantly expressed its readiness to collaborate in the question of disarmament, which it was the first to bring forward as one of the most important tasks at the Genoa Conference, 1922, and which it tried to put into concrete shape at the Moscow Conference,* but that in a still more gen-

* Called in 1922 by the Soviet Government to discuss reduction of armaments with Poland and the Baltic countries.

eral way, during the entire duration of its existence, it always set forth as the aim of its foreign policy the maintenance of peace, collaboration for the upbuilding of peaceful relationships and the development of friendly relations with all other nations.

The Soviet-German Agreement

In pursuance of this policy of peace we have been proposing to all countries for a long time the conclusion of agreements which would exclude the possibility of attacks and of participation in hostile activities, and which would assure mutual neutrality in the case of armed conflicts with third parties. A few months ago we signed such an agreement with Turkey. It is with great satisfaction that I am in a position to inform you now that a similar agreement was concluded with Germany and signed today in Berlin.

In signing the agreement the plenipotentiary representatives of both countries exchanged notes or declarations, in which Germany, on her part, declares that the agreement concluded will facilitate the maintenance of general peace, and that in the given case both governments, in their negotiations mentioned in Section 1 of the agreement, will be guided by the point of view of the necessity of general peace.

Subsequently, Germany presents her point of view with regard to the League of Nations. She declares that the fundamental idea of the League of Nations is the peaceful and just settlement of international differences, and that from this point of view the agreement is not in contradiction to the idea of the League. The German Government announces what may likely be its attitude in case tendencies in contradiction to this fundamental idea of peace should develop in the League of Nations and be directed exclusively against the U. S. S. R.

The German Government also explains its point of view as regards the well-known Articles 16 and 17 of the Constitution of the League of Nations. You know that in the event of a conflict these articles provide for international sanctions, of international reprisals should the League of Nations declare one of the countries the aggressor. The German Government declares that the question as to whether the Soviet Union is the attacking party in an armed conflict with a third country, can be decided by the League of Nations with binding power with regard to Germany only with Germany's agreement, as stated by her in the well-known declaration in Locarno.

Subsequently a proposal is made for the conclusion of a separate convention which provides for the settlement of conflicts between the two countries by peaceful methods, i. e., by arbitration or conciliation commissions. We answered this note by taking cognizance of the statement of

the German Government, and by declaring that on our part we also saw in the preservation of general peace the aim of the agreement, and that the conclusion of a separate convention concerning arbitration or conciliation commissions was agreeable to us.

It will not be beside the point to declare right here that everything that was signed today in Berlin will be fully published, and that no secret agreements nor secret protocols or supplements to the agreement were signed.

The agreement is a supplement to, or rather a more exact restatement of, the Treaty of Rapallo, and is fully in keeping with those friendly relations which have been established between the Soviet Union and Germany, and which both parties are anxious to preserve for the future. The Rapallo Treaty was at the time of its conclusion dictated both by the desire of both countries to establish friendly relations, and by the community of interests and the dangerous international situation in which both countries found themselves at that time, surrounded as they were by a world of enemies. Since that time many changes have, of course, taken place in international relations. I don't know whether Germany has at present many friends among the European countries, whether after Locarno and Geneva she considers her relations with other European countries sufficiently settled and consolidated, whether she considers herself free from all dangers. This is Germany's affair. As regards the Soviet Union, we must say that in spite of the improved relations with a number of countries and its *de jure* recognition by them, it must nevertheless consider that its position is still threatened to a great extent and that the general hostility towards it on the part of the western countries still persists. Under such circumstances general or combined attacks against the Soviet Union cannot be considered as completely out of the question. For this reason it is the aim of Soviet diplomacy to reduce the danger of the formation of anti-Soviet blocs and combined attacks, and the reduction of this danger naturally increases the prospects for general peace.

To the policy of other countries, as far as it took shape recently in well-known agreements, such as for instance the Polish-Roumanian agreement concerning military alliance and mutual military assistance, to the policy aiming at the formation of military alliances and combinations such as those which led to the great war of 1914, the Soviet Union opposes the policy of concluding agreements aiming at non-aggression, at the preservation of peace and at the non-intervention in armed conflicts of third countries. If this policy were also carried on consistently by other countries, I venture to believe that its results towards securing general peace, and at least, towards

avoiding the possibility of major wars or a world war, would undoubtedly be greater than the results of all the measures which, as far as we know, have been undertaken by the League of Nations, and of those which it would be likely to undertake in the future.

European diplomacy and its press was recently pondering over the question whether the Soviet-German agreement is opposed to the so-called spirit of Locarno. The question and the reproaches are of course not addressed to us, for we have preserved our full liberty of action and are bound neither by Locarno nor by any other agreements.

But, speaking objectively, the answer to this question depends upon the aims which Locarno has set itself. If Locarno, as its authors endeavor to convince us, really aimed at the pacification of Europe and at the real improvement and consolidation of relations between European countries, then the partisans of Locarno, it would seem, should have welcomed enthusiastically the conclusion of the Soviet-German agreement as a new step towards the consolidation of the friendship between two great nations. If, however, one of the aims of Locarno—as we always suspected—is the formation of a single anti-Soviet front and the isolation of the Soviet Union, then it must be admitted that the agreement signed today is indeed opposed to the spirit of Locarno, and we can only be glad that to a certain extent we succeeded in depriving Locarno of its anti-Soviet sting. I say “to a certain extent” because judging from the angry and furious attacks with references to Locarno which were directed against Germany on account of the conclusion of this agreement, we cannot help declaring that Locarno still remains a menace directed against the Soviet Union.

Another favorable indication of the friendly relations between the Soviet Union and Germany, in addition to the conclusion of the agreement, is the law passed recently in Germany concerning Government guaranty of a certain part of the 300,000,000 Mark credits granted our country. The German Government has judged correctly the importance of the present moment for the consolidation of its economic position in the field of economic relations with the Soviet Union for the immediate future. Guarantees amounting to 60 per cent have already been given, partly by the German Federal Government and partly by the German local governments (Saxony, Prussia, etc.). The actual advancement of the credits has unfortunately been impeded because the German banks, eager for great profits, are asking a rate of interest which is too high and unacceptable to us. Apparently the banks do not know that we are not looking for credits at any price, but for convenient credits. If the terms are not convenient, we will prefer to do without credits, all

the more so as in a number of countries large firms have offered us considerable credits on terms which are more acceptable than those asked by German banks.

Our friendship with Germany does not in any way prevent us from working towards the establishment of friendly relations with other countries. It is necessary, however, to keep in mind that our general and special agreements with Germany were facilitated by the fact that the German Government, as far back as at the time of the Rapallo Treaty placed the general interests of the whole nation above the private interests of separate groups and persons and gave its agreement to a mutual annulment of financial claims. Unfortunately the governments of other countries have not yet adopted this point of view as to national interests, and the financial claims seriously complicate our relations with a number of countries with which we have the desire and the ability to establish relations of complete friendliness.

Relations with Italy

Touching upon the relations with Italy, Mr. Litvinov pointed out that in spite of the fact that the question of mutual claims has been left open, the Soviet Union was in a position to establish and to consolidate enduringly friendly relations with Italy.

These relations have not been disturbed by anything up to the present and, it is to be hoped, will not be disturbed in the future. The treaty of 1924 stimulated the development of our trade relations with Italy. Soviet exports to Italy during the past year surpassed the pre-war figure.

Negotiations with France

The negotiations with France have only now entered the stage of practical discussions. An encouraging factor is the circumstance that the delegations are simultaneously considering the question of the recognition of debts and of the advancement of credits. With regard to these two questions, which are inseparably connected with each other, concrete decisions are being elaborated at present. For the time being the concrete proposals of the two countries are quite far apart. We believe that both parties will be greatly benefited by an agreement.

France has become a highly industrial country. An understanding with the U. S. S. R., which would open possibilities for a broad development of economic relations, would be a great step forward not only for us but also for France. The prospects of collaboration with France, in case an agreement is reached at the conference, will be of great significance and will become an important link in the chain of international events favoring the consolidation of universal peace.

Relations with England

As regards our relations with England, there are unfortunately no changes to be reported. We declare as absolutely untrue and mendacious the assertion that the Soviet Government is conducting a hostile and aggressive policy against England. The real situation, in fact, is quite the opposite. Wherever we encounter English diplomacy we see it conducting actively a systematic political struggle against our country, combining her enemies and threatening her safety. When the Labor Government was in power we considered it one of our most important diplomatic tasks to reach an agreement with England with regard to all the important international problems. Since the Conservative Government has been in power we have never omitted an opportunity to declare that we are ready to negotiate with it all the questions at issue between the two Governments, and in particular the question of the financial claims put in the forefront by our adversaries in England. We still attach great importance to the problem of coming to an understanding with, or at least, of improving our relations with England. Recently, however, symptoms may be distinguished which point to a development in England which is quite favorable to us. I have in mind first, the debates in the English parliament concerning the extension of export credits to the U. S. S. R., when even part of the Conservatives voted against the Government as represented by the Under-Secretary of the Board of Trade who took up the negative point of view in this question, and when the government majority fell to 89, i. e., considerably lower than usual. Second, the remark made by Churchill as to the favorable attitude towards our Government in the debt settlement question. We can not say by any means, that we agree in principle with Churchill's statement which, of course, is entirely unsatisfactory, all the more so as he mentioned even the war credits which the British Government agreed to cancel at the time when Lloyd George was Prime Minister, but nevertheless the mere fact that Churchill spoke of the desirability of coming to an understanding is not devoid of symptomatic significance.

The third fact is the answer of the British Foreign Office to the London Chamber of Commerce which asked for the abrogation of the agreement of 1921. In its answer the Foreign Office pointed out that the conclusion of the debt settlement agreement would be accompanied by the granting of British credits. In this case again we cannot accept without changes the point of view of the Foreign Office, but we cannot help noticing in it the manifestation of a development in our favor.

Public statements of responsible members of the British Government do not always agree with each other as to tone and content. Repeatedly

it was pointed out in these statements that it was necessary the U. S. S. R. should make some preliminary declarations prior to the starting of the negotiations. We cannot accept this point of view. We consider it highly desirable to start practical negotiations with the British Government concerning the settlement of the questions at issue. The granting of credits on the part of England we do not consider at all as a favor or a kindness, for credits mean the placing of large orders in England, which will greatly benefit the industry of that country.

The first step would be the exchange of proposals by the established method, through the diplomatic representatives. We are still waiting for the English Government to express its opinion on our concrete proposal with which it is familiar and which at the time of the MacDonald Government took the shape of a preliminary agreement. This is, of course, not a question of prestige, of who will make the first step. As soon as the English Government enables us to convince ourselves that it is just as sincerely prepared as we are to start practical negotiations and to carry them on to a favorable conclusion, we will do everything that is necessary to move the question from its present deadlock.

The Soviet Union and the United States

The enormous power of the United States of America towers above all the great powers of Europe. From a great many sources we have received information that the trend towards an understanding with the Soviet Union is constantly growing. True, the American Government apparently maintains its previous attitude. It could not be asserted that our points at issue with the United States are of particular importance. From unofficial and semi-official sources we have heard repeatedly that the American Government's condition for the resumption of relations with us is the recognition on our part of the loan contracted by the Provisional Government of Kerensky, the American Government being prepared to consider favorably our just counter-claims.

Such a formulation of the question would not create any difficulties in the case of direct negotiations. On its part, the Soviet Government has declared repeatedly that it is ready to start immediate negotiations with the American Government, and I am repeating it at present from this platform. If some members of the American Government demand that the disputed questions or the points at issue between us should be decided in their favor in advance, this request must be declared as entirely exceptional, as entirely unusual and unacceptable to us. I venture the opinion that a highly optimistic attitude could be assumed towards the results of the negotiations once they were started. We have to wait until

the American Government expresses the same willingness. I am in a position now to express my strong conviction that the objective course of events will inevitably bring both countries before long to an understanding to be followed by the closest economic collaboration.

Obstacles in the Way of a Rapprochement with Poland

We attribute great importance to a durable and lasting agreement with our nearest western neighbors, particularly with Poland, and to the elimination of all disputed questions between us. I would like to remind the adversaries of an agreement between Poland and us who are continuously crying about the eastern menace to Poland, that the establishment and consolidation of Poland's independence would not have been possible without a complete victory of the November Revolution over Tsarism. Even the Kerensky Government assumed an ambiguous and even chauvinist attitude towards Poland, Finland and the other countries. This is still the attitude of the "White" emigres, although for tactical reasons they sometimes conceal it. According to materials published lately by the Central Department of Archives concerning Polish-Russian relations during the war, it appears that Polish bourgeois politicians (some of whom are even now occupying the most prominent positions in Poland) were ready to conclude any compromise with the Tsarist ministers, were ready to accept even the most restricted autonomy, and did not dare even to dream of Polish independence at that time. The Bolsheviks alone, during the most reactionary period of Tsarism, proclaimed the principle of national self-determination and even of secession. Since conquering power they have carried out and are carrying out this principle.

Everybody is aware of the formidable economic and financial crisis and unemployment now in process in Poland. It is quite obvious that the financial crisis is a consequence of the general economic crisis, and that the economic crisis was caused by the exhaustion of the domestic, particularly of the peasant market, and by the fact that the country has no access to foreign markets. Some of her imperialist protectors are availing themselves of this difficult situation of Poland in order to enslave her economically under the pretext of assistance, and in order to use her and her army as an instrument of their foreign policy in Eastern Europe. On the other hand the Soviet Union could become a vast market for a considerable section of Polish industry that is idle now. In spite of all difficulties, even now, quite recently, our orders enabled some large textile factories in Lodz to resume their operations, thus giving employment to thousands of textile workers. Unfortunately, the traditional policy which is firmly

established among the ruling spheres of Poland and which is supported by her foreign "well-wishers", prevents these spheres from entering courageously and consistently upon the road of a rapprochement with the Soviet Union. Unfortunately, up to the present, all our endeavors to bring about a durable understanding with Poland have been frustrated by the tendency of the Polish Government to play, so to speak, the rôle of the director of the foreign relations of all Baltic countries. We are looking towards an understanding with Poland, while Poland absolutely insists upon speaking in the name of all Baltic countries which, as far as we know, have not given her any powers to that effect.

We do not recognize and are not going to recognize an open or concealed protectorate of Poland over the Baltic countries. The stubborn unwillingness of the Polish Government to speak only in the name of its own country is frustrating all our endeavors directed towards a rapprochement. The information received as to the extension, though in a changed form, of the Polish-Roumanian agreement is also to a certain extent reducing our hopes for an understanding with Poland. This is holding off the conclusion of a trade agreement which could be convenient to both parties only in the case if it should constitute part of a broad agreement. On the other hand, the Soviet Government is interested in the development and the consolidation not only of the goodneighborly relations with Poland, but also in a rapprochement with her. The Soviet Union's general policy of peace, in particular with regard to the neighboring States which were formed at the downfall of Tsarism, renders this rapprochement entirely possible. The economic interests of the masses inhabiting the Soviet Union which are demanding the import from abroad of certain industrial products which could be imported from Poland as advantageously as from other countries, renders a rapprochement with her particularly desirable.

The establishment in the near future of durable mutual relations which are in the interest of both countries and their populations, depends solely upon a decisive change in Poland's policy with regard to the Soviet Union.

Relations with the Baltic Countries

We are offering to the Baltic countries guaranty agreements with each of them separately or with some of them collectively. Esthonia and Latvia are very important to us economically on account of the transit trade conducted across these countries. Politically, we are endeavoring to consolidate friendly relations with them so as to render our frontiers safe in this part of the Union. Up to the present this has been prevented partly by outside influences. In addition to this, we have,

unfortunately, no reason to be entirely satisfied with the attitude of the Latvian Government with regard to the attack upon our diplomatic couriers. The investigation is not being conducted with anything approaching that energy and attention which we are entitled to expect, and for this reason it has given practically no results up to the present. In many respects the assurance given us by the Latvian Government after the attack has not yet been lived up to. The manner of conducting the investigation, as well as a number of small incidents, make as a whole the impression that Latvia is going to become another Switzerland as far as we are concerned, thus creating the impression that jointly with outside influences certain groups or parties are seriously working towards a rupture of the existing relations and towards a defeat of our endeavors to bring about closer relations. I suppose that the Latvian Government is likewise aware of this danger and that it will in time take the necessary measures towards its elimination.

I may point out that our relations with Lithuania are particularly friendly. We assume that in the interest of peace in Eastern Europe a consolidation of our relations with Lithuania will be a very useful factor.

It may likewise be mentioned that our friendly relations with Finland are constantly improving and being consolidated. Up to the present we have concluded with Finland thirty conventions regulating all the aspects of our neighborly relations.

The U. S. S. R. and the Scandinavian Countries

We are also greatly interested in maintaining and developing the existing friendly relations with the three Scandinavian countries. During the last few years Sweden has been occupying quite an important place in our foreign trade and her present exports to the U. S. S. R. have greatly surpassed the pre-war level.

With Norway we recently concluded a trade agreement which settled a number of disputed questions and created the possibility of mutual satisfaction of the economic needs of both countries. Since the establishment of diplomatic relations with these two Scandinavian countries we have had neither frictions nor conflicts with them.

No Concessions in Exchange for Recognition

Normal relations have not been established as yet between the Soviet Union and a few European countries, such as Czecho-Slovakia, Yugo-Slavia, Belgium, Holland, etc. We appreciate friendly relations with all countries, irrespective of their geographical situation, and are therefore sorry that some of them still harbor illusions that they will be able to impose upon us any preliminary terms of recognition. It would do them good to

realize once for all that our Government is firmly determined, in exchange for recognition not to grant to these countries any facilities, not to assume any obligations, and not to give any promises. It will wait patiently till the governments and the peoples of these countries realize that the establishment of normal relations with a nation of 150,000,000 inhabitants is not less valuable and convenient to these countries than to the Soviet Union, and that the discussion of the disputed questions can begin only after recognition and by no means on the eve, or on the day of recognition.

The Principles of Soviet Policy in China

By no means the least reason of the British Government's unfriendly attitude towards us is the development of the national-revolutionary movement in China which the leading English politicians consider, or rather pretend to consider, as a product of our alleged propoganda and our alleged instigation.

The recent period, beginning approximately with the Fall of last year, could be designated as the period of systematic attack on the part of aggressive imperialism in the Far East, English diplomacy playing a leading rôle in this policy. The development of the internal forces of the Chinese Revolution has, of course, not been arrested, but lately, in connection with the fact that the Chinese problem has been taken up in its entirety by the imperialist governments, the international situation has become incomparably more difficult for the development of the national-revolutionary movement in China. The struggle of the militarist groups with their episodic successes and defeats is not deprived of importance for the development of the internal forces of the Chinese national-revolutionary movement. In particular, the success of the national armies in the past year is a matter of great significance, because these armies helped the development of the social forces of the national-revolutionary movement, as well as the creation of favorable conditions for the development of a labor and peasant movement, and removed the danger of a sanguinary suppression of the national-revolutionary mass movement.

It is therefore obvious that world reaction has set itself the task of creating a united front against the national armies. At present this situation must be reckoned with, with a full recognition of the fact that the movement aiming at the national emancipation of a people of 400 millions will infallibly continue to progress.

We do not conceal our sympathy with the movement whose program demands the creation of a revived, free, fully sovereign, democratic China, and our government is strictly adhering to the principle that every people should shape its own

destiny. We believe that the realization of China's national tasks is the concern of the Chinese people themselves. In this case, as well as in other cases, the fundamental principle of our diplomacy is noninterference with the affairs of other countries. Bona fide and correct relations with the Chinese Government,—both with the central administration of the Chinese people and with all local authorities—are the guiding principles of our policy in China, as faithfully expressed by our diplomatic representative, Karakhan. We indignantly refute the insinuations of those who recently endeavored to make a distinction between our diplomatic representative in Peking and our government, trying to represent his policy as different from the policy of the Central Government.

We are certainly pleased to see that the local authorities of Canton are greatly benefiting the population by carrying out a policy resulting from the program of the Kuomintang party. As regards the character of this policy, you will permit me to have this question answered by the London *Times* which certainly cannot be suspected of sympathy with the national-revolutionary movement in China. This is the way the *Times* characterizes the policy of the Canton Government: "Whatever label may be attached to the Canton Government, it is more like a real government than all the governments that have existed in Canton during the last few years. It has again united the Huandun Province, it conducts a definite policy and has apparently firmly decided to put an end to bribery in office—this real Chinese Plague. Canton has been kept clean and quiet and it has been able to do without Hongkong for six months." This is the policy to which we extend our sympathy.

Manchuria and the Chinese Eastern Railway

On the other hand we are endeavoring to establish normal friendly relations with the local authorities of Manchuria which borders on the Soviet Union. Two years ago the representative of Manchuria appeared at the agricultural exhibition in Moscow and presented the flag of his country. We would like to maintain friendly relations with Chang-Tso-Lin, the ruler of Manchuria, provided he will not render this impossible through hostile acts or a hostile policy. I am glad to be able to inform you that a recent untoward incident has now been favorably settled.

I have in mind the note of the Central Diplomatic Department of Mukden containing attacks as printed in the Harbin papers, directed against Karakhan, the Soviet representative in China. Mr. Serebriakov, who was sent by us to Manchuria, reports that after short negotiations with Chang-Tso-Lin they both signed the following statement:

"The representative of the Central Diplomatic

Department of the Three Eastern Provinces (Manchuria) on the one hand, and the Consulate General of the U. S. S. R. in Mukden on the other hand, taking into consideration the circumstances under which the correspondence between the Central Diplomatic Department and the Consulate General took place during the period from April 9 to 12, 1926, as expressed in the exchange of notes of the Consulate General under No. 228 of April 9, and under No. 235 of April 11, and the note of the Central Diplomatic Department under No. 58 of April 12, have decided to return to each other the above mentioned notes."

The question of Manchuria is of particular importance to us owing to the fact that the Chinese-Eastern Railway, the chief artery of rail connection with the Far East, passes through that territory. In this question we stand by the execution of the agreement of 1924. We consider it indispensable to observe in the strictest manner the sovereign rights of China through whose territory the Chinese-Eastern Railway passes, and we consider that it is necessary to eliminate anything that would violate these sovereign rights. We consider the railway as a commercial enterprise in which we take part in China on the basis of equal rights. We consider it necessary to use the greatest care in elaborating a régime which would secure all the legitimate claims of China, and at the same time would safeguard our rights upon the Chinese Eastern Railway which we secured by agreement, and which would also protect Russian workers and other employes against arbitrary proceedings.

From the international point of view, Manchuria plays a particularly important part for the additional reason that we are encountering there the political and economic interests of Japan, which we are ready to meet, as far as possible. We consider that Japan's role in world politics is of exceedingly great importance and we are doing all that is in our power to come to an understanding with her. Insofar as the objects of our negotiations are situated on Chinese territory we consider it indispensable that China, as represented by the Central Government and the local authorities, should take part in the negotiations. Friendly relations with Japan constitute one of the fundamental tasks of our diplomacy. Our negotiations with Japan concerning concessions on Sakhalin have come to a favorable conclusion. At the present time we are conducting negotiations with Japanese citizens concerning timber concessions in the Russian Far East, and a fisheries agreement is now being worked out. But we would like to go further. We would like to settle the disputed questions with Japan to such an extent as to place our mutual friendly relations on a solid and durable basis.

The U. S. S. R. and the Near Eastern Nations

In Turkey the entire policy of the Kemal Government is directed towards the protection of the Turkish people against their subjection to the economic domination of foreign capital. Thus there is a serious antagonism between the policy of Turkey and the ambitions of the great powers.

Our heartfelt sympathies are with the endeavors of the Turkish people to free themselves from that domination.

Politically, our friendship with Turkey, which for a long time had been based upon agreements and upon our common need to defend our independence, was reasserted in the agreement signed in Paris, concerning neutrality, non-aggression and non-participation in hostile combinations.

In Afghanistan we welcome the growing stabilization of the power of the present government which represents the policy of the Afghan National Party and the program of the creation of a modernized, progressive, nationally-emancipated Afghanistan.

We have stated repeatedly that the creation of constituent Soviet Republics in Soviet Central Asia, organized along national lines, does not in the slightest imply the aim of creating any complications with the neighboring countries. On the contrary, the establishment of entirely normal relations with the local nationalities, in Soviet Central Asia, on the basis of the creation of local republics, should in general have a favorable effect upon our relations with the Eastern peoples in general, and therefore also with the states bordering upon Soviet Central Asia. At any rate, we must protest against all kinds of insinuations of the hostile press attributing annexionist tendencies to us or to the constituent republics. The swift solution of the Urta-Tugai Island question (Soviet-Afghan incident) by referring the matter to a mixed commission, showed how easily accidental and temporary incidents may be settled without leaving any trace, if the fundamental policy of both countries is a desire to avoid conflicts.

Growth of the Influence of the U. S. S. R.

In concluding the survey of the international situation, I wish to state that the part played by, and the influence of, the Soviet Union is growing incessantly both in the West and in the East. Our diplomacy will, as heretofore, continue to follow carefully all the moves of our open and secret adversaries, to frustrate their insidious plans and to unmask their hostile machinations. While endeavoring to enhance the safety of our country, we do not intend to hurt the interests of other countries with which we are entertaining normal and friendly relations. The fundamental factor of our diplomacy was and remains the endeavor to extend the friendly relations with other na-

tions, to establish them on a firm basis, and simultaneously to help the cause of universal peace, not only with words but also with deeds.

Resolution of the Central Executive Committee

After the conclusion of the speech of Mr. Litvinov the Central Executive Committee adopted the following resolution:

"After hearing the report of Mr. Litvinov, Acting Commissar for Foreign Affairs, concerning the activity of the Government in the field of foreign policy, the second session of the Central Executive Committee fully endorses this activity."

The German-Soviet Agreement

THE following is the text of the German-Soviet Agreement signed in Berlin on April 24, 1926, and of the notes exchanged by the representatives of the governments concerned:

Agreement between Germany and the Union of Soviet Socialist Republics

The German Government and the Government of the Union of Soviet Socialist Republics, prompted by the desire to do everything in their power that would contribute to the preservation of general peace, and being convinced that the interests of the German people and of the peoples of the U. S. S. R. demand a continuous collaboration that is based upon full confidence, have agreed to consolidate the friendly relations existing between them by the conclusion of a special agreement and have appointed for this purpose as their Plenipotentiaries:

The German Government—Mr. Gustav Stresemann, Minister of Foreign Affairs;

The Government of the U. S. S. R.—Mr. Nicholas Krestinsky, Plenipotentiary Representative of the U. S. S. R. in Germany,

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 Rapallo Treaty remains the basis of the mutual relations between Germany and the U. S. S. R.

The German Government and the Government of the U. S. S. R. will maintain friendly contact for the purpose of coordination on all questions of a political or economic nature concerning equally both parties:

ARTICLE II.

If, notwithstanding its peaceful attitude, one of the contracting parties is attacked by a third party or a combination of third parties, the second contracting party will observe neutrality during the entire duration of the conflict.

ARTICLE III.

If in connection with a conflict such as mentioned in Article II, or if at a time when neither of the contracting parties will be involved in an armed conflict, a coalition will be formed among third countries for the purpose of submitting one of the contracting parties to an economic or financial boycott, the second contracting party will not join such a coalition.

ARTICLE IV.

The present agreement is subject to ratification, and the exchange of ratifications will take place in Berlin.

The agreement will come into force on the day of the exchange of ratifications, and will remain in force for five years. In due time, before the expiration of that term, both contracting parties will come to an understanding as to the subsequent forms of their mutual political relations.

Signatures: G. STRESEMANN,
N. KRESTINSKY.

Berlin, April 24, 1926.

Note of the German Government

On the basis of the negotiations concerning the conclusion of the agreement signed today between the German Government and the Government of the Soviet Union, I take the liberty to make the following statement in the name of the German Government:

1. During the negotiations concerning the conclusion of the agreement and in signing it, both governments, in agreement with each other, were proceeding from the opinion that the principle, stipulated by them in Article I, Paragraph 2, of the agreement, concerning coordination on all questions of a political and economic character in which both countries are interested, will essentially contribute to the preservation of general peace. At any rate, both governments, in their negotiations, will be guided by the point of view of the necessity of preserving general peace.

2. In this spirit both governments were also discussing questions of principle connected with Germany's entrance into the League of Nations. The German Government is convinced that its membership in the League of Nations cannot be an obstacle to the friendly development of German-Soviet relations. In accordance with its fundamental idea, the League of Nations is called upon to settle international differences in a peaceful and just manner. The German Government has decided to collaborate with all its might in the carrying out of this idea. Should, nevertheless—a possibility which the German Government does not admit—the League of Nations ever develop tendencies which in contradiction to this fundamental idea of peace would be directed

solely against the U. S. S. R., the German Government will counteract such tendencies with all its power.

3. The German Government proceeds from the point of view that this fundamental line of German policy with regard to the U. S. S. R. cannot be prejudiced by a loyal observation of the duties incumbent on Germany after her entrance into the League of Nations under Articles 16 and 17 of the Constitution of the League of Nations concerning the application of sanctions. According to these articles, the question of applying sanctions against the U. S. S. R. irrespective of other considerations could arise only in the case that the U. S. S. R. would start an aggressive war against a third country. In this connection it must be borne in mind that the question as to whether in an armed conflict with a third country the Soviet Union is the attacking party, could be decided with binding power with regard to Germany only with Germany's agreement, and that thus an accusation brought forth in this respect against the U. S. S. R. by the other countries, if considered as unfounded by Germany, will not bind Germany to take part in the measures undertaken on the basis of Article 16. With regard to the question whether Germany can in general take part in the application of sanctions and to what extent it can do so in a concrete case, the German Government refers to the note of December 1, 1925, concerning the interpretation of Article 16, which was handed to the German delegation simultaneously with the signing of the Locarno pact.

4. In order to create a solid basis for the smooth settlement of all questions arising between them, both governments consider it convenient to start immediately negotiations concerning the conclusion of a general agreement for the peaceful settlement of conflicts which might arise between the two parties, particular attention being directed to the possibility of applying arbitration and mediation methods.

G. STRESEMANN.

Berlin, April 24, 1926.

Note of the Government of the U. S. S. R. to the German Minister of Foreign Affairs

In acknowledging the receipt of the note which you sent me on the basis of the negotiations concerning the conclusion of the agreement, signed today, between the Government of the U. S. S. R. and the German Government, I beg to inform you, in the name of the Government of the U. S. S. R., as follows:

1. In the negotiations concerning the conclusion of the agreement, and in signing it, both Governments were in mutual agreement proceeding from the opinion that the principle—laid

down in Article 1, Paragraph 2, of the Agreement—relating to the coordination on all questions of a political or an economic character concerning both countries, will contribute essentially to the preservation of general peace. At any rate both Governments will in their negotiations be guided by the point of view of the necessity of the preservation of general peace.

2. As regards the questions of principle connected with Germany's entrance into the League of Nations, the Government of the Union of S. S. R. takes cognizance of the statements made in paragraphs 2 and 3 of your note.

3. In order to create a solid basis for the smooth settlement of all questions arising between them, both governments consider it convenient to start immediately negotiations for the conclusion of a general agreement for the peaceful settlement of the conflicts that might arise between both parties, particular attention being directed to the possibility of applying arbitration and mediation methods.

N. KRESTINSKY.

Berlin, April 24, 1926.

Soviet Finances

CURRENCY in circulation in the U. S. S. R. April 1, at the close of the Soviet fiscal half-year, was \$621,182,752, as compared with \$640,594,519 March 1, \$588,585,620 six months ago and \$394,342,401 a year ago. The volume has decreased 6 per cent from the high point of December 1 last, but has increased 57.8 per cent during the past year. The currency has now stood at gold parity for two years.

The currency, as given in rubles, is divided as follows:

| | <i>Rubles</i> |
|--------------------------|--|
| Bank notes of State Bank | 693,366,500 |
| Treasury bills | 355,766,200 |
| Silver coins | 144,202,300 |
| Copper coins | 8,214,600 |
| Bronze coins | 30,100 |
| Small change paper | 4,600,400 |
| Total | 1,206,180,100 (\$621,182,752) |

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

The statement of the State Bank of the Soviet Union as of March 1, balances at \$1,314,904,866. Note issue was \$390,000,000 as compared with \$389,000,000 on October 1, 1925, at the beginning of the Soviet fiscal year. Deposits were \$574,000,000, as compared with \$490,000,000 October 1, an increase of 17 per cent. The gold fund was \$129,000,000 as compared with \$153,000,000 Oct. 1, a reduction of 15.7 per cent. Loans and discounts were \$805,000,000 as compared with \$669,-

000,000 October 1, an increase of 20.3 per cent. Capital remained unchanged at \$51,450,000.

The statement follows:

| ASSETS | | |
|--|--------------------|----------------------|
| | <i>Chervontzi</i> | <i>Dollars</i> |
| Cash | 8,925,505 | 45,921,723 |
| Bullion, Coin, Precious Metals and Foreign Currencies | 24,980,966 | 128,527,070 |
| Securities | 8,155,437 | 41,959,723 |
| Goods | 20,112 | 103,476 |
| Loans and Discounts | 156,439,211 | 804,879,741 |
| Loans Against Merchandise | 19,196,286 | 98,764,891 |
| Special Loans to Industry and Agriculture on Account of People's Commissariat of Finance | 23,301,901 | 119,888,281 |
| Commission, Interest and Other Charges | 2,485,525 | 12,788,026 |
| Other Assets, etc. | 12,064,516 | 62,071,935 |
| Total | 255,569,459 | 1,314,904,866 |
| LIABILITIES | | |
| Capital | 10,000,000 | 51,450,000 |
| Surplus | 1,500,000 | 7,717,500 |
| Profits 1924-25 | 6,213,629 | 31,969,119 |
| Note Issue | 75,891,932 | 390,463,990 |
| Deposit and Current Accounts | 111,577,139 | 574,064,380 |
| Transfers | 279,867 | 1,439,916 |
| Government Fund for Loans to Industry and Agriculture | 23,388,564 | 120,334,161 |
| Commission and Interest | 6,950,972 | 35,762,751 |
| Offices, Branches and Agencies | 3,683,036 | 18,949,219 |
| Other Liabilities | 16,084,320 | 82,753,830 |
| Total | 255,569,459 | 1,314,904,866 |

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

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of May 16, is as follows:

| | <i>Chervontzi</i> |
|--|-------------------|
| <i>Assets</i> | |
| Gold in coin and bars | 14,657,370 |
| Platinum | 3,039,637 |
| Foreign currency | 5,137,847 |
| Drafts in foreign currency | 192,888 |
| Bills in chervontzi | 50,886,391 |
| Securities covering advances | 85,867 |
| Total | 74,000,000 |
| <i>Liabilities</i> | |
| Bank notes transferred to State Bank | 70,832,085 |
| Balance to which notes may still be issued | 3,167,915 |
| Total | 74,000,000 |

One chervonetz contains 119.4826 grains of fine gold and equals £1, 1s., 1½d., or \$5.15½.

Bound Volume Three of "Russian Review"—504 pages, including all the issues published in 1925, as well as a comprehensive index. Bound in imitation leather. Price, \$5.00.

Agricultural Progress in U. S. S. R.

IMPROVED varieties of wheat, the result of several years of experimentation by Soviet agronomists, are being sown over wide areas of the Soviet Union this year, increasing the yield by from 2 to 5½ bushels per acre. Hitherto thousands of varieties of wheat have been grown in Russia, and both grading and general quality were poor. Hereafter only 25 selected varieties will be planted, of which five are especially designed for the export trade. The selected varieties are reported as far superior to anything hitherto produced in Russia, both in yield and quality. Millions of pods of seeds are being distributed among the peasant farmers.

Copies of Soviet papers received here hail the new development as of the greatest economic importance. "Discovery of New Gold Deposits in the U. S. S. R." is the front-page caption in *Pravda*. "A little group of selectionists," says the news story, "whose names are scarcely known outside of their immediate circle, have effected results which will enrich the country by billions of rubles in the next few years."

Tractors in the Soviet Union

Nearly 22,000 tractors are taking part in the spring plowing in the Soviet Union this year, setting a new record for the country. Last spring there were about 5,000 tractors, and before the war there were less than 500 in the whole Russian Empire. Of the tractors 18,925 were imported from the United States, most of them within the past two years. The amount paid for them was \$9,243,610. Since January 1, 1925, 16,062 tractors have been shipped to the Soviet Union from American ports.

In addition to the imports of tractors from the United States, the manufacture of tractors has recently been organized in the Soviet Union. About 1,500 will be produced in Soviet factories this year. This production will be steadily increased, but for many years it is estimated that the tractorization of agriculture in the Soviet Union must proceed largely through the importation of machines made in American factories.

For generations Russia has suffered from periodical famines, resulting from seasons of unfavorable weather plus the primitive methods of cultivation employed. With the aid of the American tractor and extensive plans of irrigation the Soviet authorities expect to make famine years a matter of history. Last summer Soviet agronomists made an intensive first-hand study of American agricultural methods, and of the work of the Department of Agriculture in Washington.

Cotton Cultivation in the Soviet Union

A squadron of 330 newly-imported American tractors, the first ever seen in that part of the

world, is operating in Ferghana Province, in the heart of the cotton belt in Soviet Central Asia. The tractor plowing campaign has been organized like a military operation, with the town of Kokand as grand headquarters, from which members of the Soviet agricultural general staff direct the operations by means of a system of military field telephones.

The intensive cultivation has been made possible by the opening in Ferghana of 175 miles of irrigation canals this spring, which are conveying water to 125,000 acres of arid land.

Soviet Experts in the United States

A COMMISSION of four hydroelectric engineers from the U. S. S. R., who will tour the country for three months in preparation for the construction, on the Dnieper River in the Ukraine, of the largest hydroelectrical development in Europe, have been gathering technical material in Washington, prior to their tour. They will study the largest American power plants from coast to coast.

The Dnieper project, which is a link in the huge superpower development planned by the Soviet Government, and includes large inland navigation and irrigation plans as well, will cost \$75,000,000. The power plant will have an initial capacity of 210,000 kilowatts, and an ultimate capacity of 455,000 kilowatts. The plant, on the rapids above Zaporozhye (formerly Alexandrovsk), will feed power to a good part of the southern mining district of the Soviet Union, which furnishes 75 per cent of the coal mined in the country, 70 per cent of the iron, and a large proportion of the manganese, as well as heavily developed chemical and dye industries. By means of the development the Black Sea will be linked with the German canal system via the Dnieper.

The plans and surveys for the project have already been made. Much of the larger machinery will be procured in the United States.

The members of the Commission are: Chairman, Josef A. Tzichevsky, Manager Dept. of Electric Station Construction of the Supreme Economic Council of the Soviet Union; Prof. John G. Alexandrov, Member of the Board of the State Planning Commission of the Soviet Union and Professor of Hydroelectrics at the University of Moscow; Boris K. Victorov, Member of the Board of the State Planning Commission of the Ukraine; and Miss Tatiana P. Maretzky, Manager of the Hydrological Dept. of the "Dnieprostroy," as the development is called. The delegation is accompanied by H. H. Kalantar of the technical department of the Amtorg Trading Corporation of New York. Miss Maretzky, a bachelor of science of the Leningrad Academy, is the first

woman engineer to come to this country from Russia on an important mission.

The commission will visit power plants at Boston, Niagara Falls, the Pittsburgh district, Chicago, Peoria, Cincinnati, St. Louis, Denver, Canton, O., St. Paul, Keokuk, Muscle Shoals and in California.

Mr. Tzichevsky said: "We stand where the United States stood upwards of half a century ago, on the threshold of a great period of technical expansion. We have much to learn from your technical development. In this great power undertaking we will have need for American equipment, and American technicians will also be called in. During our trip we plan to study American methods of the financing of large-scale hydroelectric projects, and we hope also to interest American capital in the enterprise."

The detail initial costs of the enterprise are as follows: Railroad development \$16,000,000; Lock system \$21,000,000; Power house \$27,000,000; Electrical transmission \$9,000,000; Developing Samara River \$2,000,000.

American Methods for Soviet Timber Industry

By the utilization of American methods and machinery, the Union of Soviet Republics will completely revolutionize its timber industry within a measurable period of years, according to H. B. Mazur, of Moscow, who has been making a four-months' study of the American timber industry on behalf of the Central Timber Export Bureau of the Soviet Union. Mr. Mazur is the first Russian timber expert to study the American system. Before entering the United States last winter, he took a course in forestry at Vancouver, B. C., and spent the autumn working as a laborer in Canadian lumber camps and sawmills. After crossing the border he conducted an intensive study of the American industry in the West and South, and made an intensive investigation of the mid-western plants that furnish machinery for lumber camps and sawmills.

Before returning to Moscow Mr. H. B. Mazur spent a few days in Washington, D. C., studying the U. S. Government reports. Through the Russian Information Bureau he issued the following statement:

"I shall report to the executives of the Soviet timber industry that the Swedish methods and machinery, which we have been utilizing since our timber industry began, should be replaced by American methods and machinery.

"Here in the United States you furnish 52 per cent of the world's output of timber, and I found the industry here developed far beyond anything in Europe, both in your saw-mills and mill manufacture. Your mechanization, your system of cranes and lumber carriers, is a revelation to a

European. Your systems of planing and of fine standards are beautifully developed.

"The Russian industry as it grew up under the old régime, was developed in small units, managed uneconomically. In wood utilization and uniformity of standards it has not improved in 25 years. We can and must adopt a system of standards and of handling lumber comparable to the American system. In our sawmills I am convinced we can advantageously adopt a combination of the Swedish and American systems.

"The timber industry of the Soviet Union is about to enter on a period of great expansion. Last year our exports amounted to \$43,000,000. Our forest area is three times the size of that of the United States and Canada together. We have much to learn from you in developing this wonderful source of natural wealth, and we will need great quantities of American machinery in the years to come. During my trip I want to say that I have received every courtesy from the industry everywhere."

Sea and Rail Transport

DURING the current year the Far Eastern Office of the Soviet Merchant Marine has at its disposal 15 steamers representing a tonnage of over 25,000 tons.

The steamers of the Soviet Merchant Marine are at present in full repair. During last year 182,077 tons of freight were transported which is 108 per cent of the pre-war freight turnover, while the number of passengers was 54,213, or 248 per cent of the pre-war figure.

In the course of this year 16 rapid lines will be in operation: The Gulf of Tartary Line—6 summer and 2 winter trips; the Eastern-Sakhalin Line—1 trip; the Northern Line—11 trips, the special Kolyma Bay trip, the Vladivostok-Shanghai Line with a stop at the Japanese port Moji—13 trips; The Korean-Chinese Line with a stop at Shanghai, Tsing-tao, Chifu, and one of the Korean ports—6 trips; Vladivostok-Soviet Port with stops at all the most important points on the shore—21 lines; the Posieta-Tetiukhe Line, etc.

Activities of the Port of Vladivostok

The port of Vladivostok is attracting an ever increasing quantity of export freight. Recently Vladivostok was visited by representatives of large Chinese firms which formerly had been shipping their goods by way of Dairen, South Manchuria. One firm that had been shipping annually 170,000 tons of freight via the port of Dairen, has just begun to forward its goods through Vladivostok. The Ussuri Railroad has undertaken to extend the freight docks of the port of Vladivostok by 150,000 square meters, which will enable the port to admit 250,000 tons of

freight monthly; the protection of the freight is to be improved and another storehouse for vegetable oils is to be constructed. The access to the mooring-blocks is to be deepened, and a number of other improvements are to be carried out.

The export of grain through Vladivostok is very heavy. On an average about 300 carloads of grain are arriving in Vladivostok daily. In the course of last January 150,355 tons of grain and various grain products arrived from Manchuria, the Far Eastern Region, and Siberia. The corresponding quantity for January, 1925, was 89,960 tons. From the port of Vladivostok the grain products are being shipped to Europe and to Japan. In the course of last January 49,820 tons were shipped to Europe and 96,680 tons to Japan, constituting a total of 146,500 tons as against 80,800 tons in January, 1925.

In connection with the development of the vegetable oil industry in Japan the export of the oil seeds to Japan is increasing from month to month and is more than twice as high as the export of the same commodity to Europe.

The Great Northern Route

According to information given out by the Soviet Hydrographical Department the great northern way from London over the Kara Sea to the mouths of the Obi and Yenisei Rivers, in Northern Siberia, has become practically safe. Very exact maps of the Arctic shore are available now, and a careful study of the currents and of the movements of ice has been made by the Department. Before the war the British insurance companies charged 15 per cent of the value of the freight sent to Siberia over the Arctic Ocean, while at present the companies charge only 2½ per cent.

Japan's Interest in the Southern Ports of the U. S. S. R.

Simultaneously with the particular attention which Japan gave to the Russian Far East (the Far Eastern Region) and to Siberia, where Japanese consulates have been established in a number of large cities, Japan has shown recently great interest in the Black Sea ports of the U. S. S. R., particularly in Odessa, where a Japanese consulate has already been established and where it is developing an energetic activity.

The question of the activities of the Odessa consulate was to be the subject of a special discussion at the conference of Japanese diplomatic representatives and consuls active in the Near East, called recently to Constantinople.

Referring to this matter, Mr. Yamamoto, representative of the Japanese Foreign Office, made the following statement in Odessa where he stopped on his way to Constantinople:

"The conference will be devoted exclusively to

the question of establishing close economic connections with the Near-Eastern countries and the southern territories of the Soviet Union. In this respect we attach great importance to the activity of the Odessa consulate. It is necessary to lend mutual assistance in the exchange of commercial information and the establishment of trade relations."

Project of Connecting Sakhalin Island with the Continent

At the Conference called in April, 1926, for the study of the productive forces of the Russian Far East which took place in Khabarovsk with the participation of Soviet and Japanese scholars, Professor Polovinkin read a report concerning the carrying out of the project aiming at connecting Sakhalin Island with the continent.

Professor Polovinkin reported that this project had been conceived long ago. According to the project the Tartary Strait would have to be filled up with earth at its narrowest point, where it is not more than 15 kilometers wide. Thus a neck of land would be constructed between Sakhalin and the continent. The Amur River which falls into the sea north of the planned neck of land would be diverted so as to flow into the sea south of the dam. The carrying out of the project would be of great economic advantage. Railroad connections could be established between Sakhalin and the continent facilitating the development of the metal industry which would use the iron ore of the continent and the coal of Sakhalin. The dam would prevent the Kurilian cold current from entering the Sea of Japan. The climate would become warmer in this part of the country and the new mouth of the Amur River would freeze for a very short period only.

The Japanese scholars concurred with the opinion of the speaker to the effect that the construction of the dam which is to connect the island with the continent would not change the climate of the Maritime Province to the detriment of Japan.

New Railway Line

By the end of March freight and passenger traffic was started on the new railway line Orsha-Lepel. The opening of this line will greatly contribute to the economic development of one of the most backward regions of the White-Russian Soviet Republic.

The Population of Tiflis

In 1900 the population of Tiflis, at present the capital of Georgia and of the Transcaucasian Soviet Federation, was 154,200. By 1914 it had risen to 197,949. At present its population is 289,805—140,912 men and 148,893 women.

Miscellaneous News

Rural and City Soviet Elections

Nearly 22 per cent of members of city legislative bodies in the Soviet Union will be women this year, and over 10 per cent of the members of the rural soviets, according to reports of the annual elections held in March and April. The percentages indicate a marked increase over last year. In the Ukraine 22,500 women were elected to the various rural soviets.

Reports from Soviet Russia proper (containing about 75 per cent of the population of the Union) show that 47.4 per cent of the rural electorate went to the polls this year, as compared with 40.1 per cent in 1925. In district cities 46.1 per cent of the electorate voted, as compared with 36.9 per cent last year. In the provincial capitals 48 per cent of the electors went to the polls.

Territories Situated in the Arctic Ocean

On April 15, 1926, the Presidium of the Central Executive Committee of the Soviet Union adopted the following decision:

To declare as territory of the Soviet Union all continents and islands, whether discovered or to be discovered in the future, and which at the moment of the publication of this decree are not recognized by the Soviet Government as territory of other countries—which are situated in the Arctic Ocean, north of the coast of the Soviet Union, up to the North Pole, between 32° 4' 35" E. (Greenwich), the meridian passing east of Vayda Bay (on Rybachi Peninsula which is part of Kola Peninsula) through the triangulation sign on Cape Kekur, and 168° 49' 30" W. (Greenwich), the meridian passing through the middle of the strait separating the Ratmanov and Krusenstern Islands of the Diomedes Island group in the Bering Strait.

Conference on the Question of the Gulf of Finland

The activities of the conference of representatives of the U. S. S. R., Finland and Esthonia, concerning the problem of the Gulf of Finland, were concluded in Moscow on April 22, 1926. This conference was called on the basis of the decisions of the Triple Agreement between the aforementioned countries, that was signed on August 19, 1925, simultaneously with the convention concerning the campaign against the contraband of alcoholic liquors on the Baltic Sea, concluded by ten countries situated on the Baltic and its gulfs (including also the U. S. S. R.)

The conference established those zones of the Gulf of Finland upon which the measures of control provided for by the aforesaid conference cannot extend.

The proposals made by the delegates of the U. S. S. R. were adopted by the Conference and laid down in the form of protocols securing full liberty of the sea routes leading to the Soviet ports of the Gulf of Finland.

An extension of the indicated zones near the Esthonian shores is likely, the Esthonian Government being ready to negotiate this matter with the Soviet Government.

Transit Visas Through Poland and the Soviet Union

Negotiations were conducted recently between the U. S. S. R. and Poland for the settlement of the questions of entrance into, and transit through, the U. S. S. R. and Poland for citizens of both countries.

An exchange of notes took place in Warsaw on March 29, 1926, between the Soviet Diplomatic Representative and the Polish Foreign Office, as a result of which this question was finally settled.

According to the established procedure, citizens of either country who are in possession of diplomatic or service passports, will be granted entrance or transit visas directly by the Commissariat for Foreign Affairs of the U. S. S. R., by the Polish Foreign Office, and by the government offices of both countries established in foreign countries. Citizens with ordinary foreign passports will be granted transit visas without any difficulties; as regards entrance visas on such passports both parties declared to be ready to pass favorably upon applications to this effect, if those applications are endorsed by the Commissariat for Foreign Affairs of the U. S. S. R. or by the Polish Foreign Office.

One Million Subscribers

The Peasant Gazette (*Krestyanskaya Gazeta*), an agricultural weekly started two years ago, is the first periodical in the history of Russia to reach a circulation of over a million copies. The rapid rise of this peasant paper is an unprecedented phenomenon in Russian journalism. In March, 1924, it had 160,000 subscribers; in March, 1925, 600,000; in March of this year, 1,015,000. Before the war the few rural periodicals had a meagre circulation among the illiterate peasantry.

The "*Krestyanskaya Gazeta*" from the start pursued an aggressive policy. In its two years it has muckraked 1,685 village Soviets which it regarded as not properly representing the interests of the local peasants. It has 5,637 village correspondents. During the past year the paper received 750,000 letters from peasant subscribers.

Gold Concessions in Kamchatka

The Japanese citizen Iotaro Tanaka has concluded a concession agreement with the Chief Concessions Committee of the Soviet Union concerning the Lidin gold deposits in the Okhotsk District, Province of Kamchatka. The concession area covers about 62 acres. The agreement was confirmed by the Council of People's Commissars and has already entered into force.

The All-Russian Textile Syndicate

The All-Russian Textile Syndicate, the New York corporation which purchases American cotton for the textile mills of the Soviet Union, has announced an increase in its capital from \$1,000,000 to \$2,000,000, owing to increased business. Since its formation in September, 1923, the Syndicate has shipped to the Soviet Union 558,691 bales of American cotton valued at \$86,282,626. For this purpose the Syndicate has chartered 50 steamships. The cotton is shipped from Houston, New Orleans and Galveston to Murmansk, the all-year Soviet port on the Arctic Ocean.

The Syndicate purchases for the All-Union Textile Syndicate of Moscow, which operates about 95 per cent of the Soviet textile mills. The plants in the All-Union Syndicate include 154 cotton mills, 73 woolen mills, 57 flax mills, 21 hemp mills, 13 knit-goods mills, 11 silk mills, 6 sundry manufacturing plants. Last year the Syndicate operated 114 wholesale and retail stores in the Soviet Union.

Alexander Gumberg, vice-president and treasurer of the New York purchasing syndicate, said:

"The textile industry of the U. S. S. R. has been developing very rapidly during the past three years. It has practically attained the pre-war level, especially in cotton goods and wool. The demand for textiles is very great, and the stores of the Syndicate are unable to satisfy it. From October 1, 1925, to April 1, 1926, the first half of the current Soviet fiscal year, the production of cotton mills has increased 35 per cent.

"Last year the cotton mills of the Syndicate had an average of 8,113,981 spindles in operation and turned out 1,458,991,200 meters of finished cloth. The mills used cotton valued at \$162,280,075, of which \$58,311,050 represented American cotton and \$86,558,972 home-grown cotton."

Imports of Textile Machinery

Over 3,000 tons of textile machinery was received in the Soviet Union during March from England, Germany and France. The machinery represents first shipments of extensive orders being placed abroad for the upbuilding of the Soviet textile industry. The machinery will be used for replacements in existing plants and in the new factories to be built during the next two years

at a cost of \$70,000,000, half of which are now under construction.

Of the machinery received in March 2,142 tons came from England, 807 tons from Germany, 80 tons from France.

Soviet Foreign Trade Turnover

The foreign trade turnover of the Soviet Union for the first six months of the Soviet fiscal year, October 1 to April 1, was \$352,675,000, as compared with \$238,973,000 for the same period last year, an increase of 48 per cent, according to preliminary customs figures. Exports were \$158,730,000 and imports \$194,302,000, giving a passive balance of \$35,572,000.

Exports for March, the last month of the period, showed a big advance, 70 per cent over January and 33 per cent over February, and giving a favorable trade balance for the month of \$212,000. Exports of wheat for March were \$4,138,000, nearly triple the figure for February, and marked gains were shown in other foodstuffs, furs and manganese ore.

Ford Exhibits in the U. S. S. R.

A recent issue of *Economic Life* (Moscow) announces that five technicians of the Ford Company have arrived in Moscow en route to the big international fair in Tiflis, in the Soviet Republic of Georgia, where fifty Fordson tractors and a full line of cars and trucks will be exhibited and demonstrated in a special section devoted to the Ford Industry.

The article sets forth that at the close of the Tiflis exhibition, the Ford exhibit will be displayed at various provincial centers, and at Moscow, and finally at the Nizhni-Novgorod fair. The exhibit includes films showing the latest productive methods in Ford plants and demonstrating the various types of Ford vehicles in operation.

Ten thousand Fordson tractors were imported by the Soviet Union at the beginning of this year.

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RUSSIAN REVIEW

Fifteen Cents

September, 1926

Vol. IV, No. 11

Five Years of Soviet Foreign Trade

Industrial Progress

Mining Industry in the Soviet Union

Soviet Finances

Soviet Sea and Land Transport

Health Protection

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FELIX DZERZHINSKY

In Felix Dzerzhinsky, who died on July 20, 1926, the Russian Revolution loses one of its most heroic pioneers and defenders—the Soviet Union, one of its ablest and most devoted executives. He was a rebel against Tsarist tyranny since the time he was in his teens and spent more than a decade in the various prisons of the old Russian Empire. As one of the leaders of the November Revolution of 1917, he was Chairman of the Extraordinary Commission for Combating Counter-Revolution. After the Civil War he devoted his efforts to the economic reconstruction of the country. Combining his position as Chairman of the State Political Department (G. P. U.) with that of People's Commissar for Transport, he reorganized the railway system and placed it on a self-supporting basis. In 1923 he became Chairman of the Supreme Council of National Economy engaged in the reconstruction of the nation's industries. He held this position until the day of his death.

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Five Years of Soviet Foreign Trade

SOVIET foreign trade for the last five years is represented by the following figures: 1920-21—211,000,000 rubles according to prices of 1913; 1921-22—335,000,000 rubles according to prices of 1913; 1922-23—281,000,000 rubles according to prices of 1913 or 417,000,000 rubles according to present prices; 1923-24—540,000,000 rubles according to prices of 1913 or 857,000,000 rubles according to present prices, and 1924-25—677,000,000 rubles according to prices of 1913 or 1,140,000,000 rubles according to present prices.

These figures refer to the trade across the European frontier. In 1923-24 the trade across the Asiatic frontier amounted to 100,000,000 gold rubles, and in 1924-25 to 136,000,000 gold rubles. Thus the entire foreign trade turnover of the Soviet Union for 1923-24 amounted to 957,000,000 rubles, and in 1924-25 to 1,276,000,000 rubles according to present prices.

Soviet Exports

Soviet exports during this period—across the European frontier—show the following figures according to present prices: 1920-21—20,000,000 rubles; 1921-22—100,000,000 rubles; 1922-23—210,000,000 rubles; 1923-24—476,000,000 rubles; 1924-25—508,000,000 rubles.

The overwhelming share of the exports is composed of foodstuffs, raw materials and semi-finished products. The correlation of these groups was subject to considerable fluctuations, the harvest determining the composition of the exports. Thus in 1923-24 the foodstuffs constituted 57.5 per cent, and raw materials and semi-finished products 42 per cent, while in 1924-25 the corresponding relation was 29 per cent and 69 per cent.

Before the war grain exports consisted chiefly of wheat and barley. In 1923-24 the share of wheat in Soviet exports amounted to 17 per cent only, while the corresponding ratio of barley was 8 per cent. In 1913, 589,942,000 rubles worth of grain was exported; in 1923-24 the export of grain products amounted to 145,116,000 rubles according to prices of 1913.

In 1923-24 the exports of butter, eggs and other perishable goods amounted to 18 per cent of the pre-war figure, and in 1924-25 to 25 per cent.

In the group of raw materials and semi-finished products the export of timber occupies a very important place. The export of timber in 1913 amounted to 163,574,000 rubles; in 1923-24 the corresponding figure was 38,452,000 rubles, and in

1924-25—41,052,000 rubles, according to pre-war prices.

Another product which plays a substantial part in Soviet exports is flax. In 1913 flax exports amounted to 116,600,000 rubles constituting 8.2 per cent of the total exports; in 1924-25 only 18,900,000 rubles worth were exported, constituting 5.9 per cent of the total exports.

Before the war furs did not play any considerable role in Russian exports. At present furs constitute 20 per cent of the Soviet Union's exports. In 1924-25 the export of furs reached 60,000,000 rubles according to present prices, exceeding the pre-war figure.

Oil exports show an increase as compared with the pre-war figures. In the fiscal year 1923-24 oil exports constituted 90 per cent of the pre-war figure, while in 1924-25 they constituted 144 per cent.

The export of manganese ore reached in 1924-25 43 per cent of the pre-war figure and amounts to 6,300,000 gold rubles.

The distribution of Soviet exports according to the various countries shows the following picture as compared with 1913: The part played by England increased from 18.8 per cent to 36.5 per cent of the total exports from the Soviet Union. The part played by Germany fell from 31.8 per cent to 17.1 per cent in 1924-25. Soviet exports to France and Italy remained insignificant, amounting to 4.4 per cent for the former and 3 per cent for the latter.

Soviet Imports

Soviet imports during the last five years did not develop uniformly as is shown by the table below:

Imports Across the European Frontier

| Year | Pre-war prices Rubles | Present prices Rubles |
|--------------|--------------------------|--------------------------|
| 1920-21..... | 201,000,000 | 300,000,000 |
| 1921-22..... | 277,000,000 | 420,000,000 |
| 1922-23..... | 148,000,000 | 207,000,000 |
| 1923-24..... | 208,000,000 | 381,000,000 |
| 1924-25..... | 356,000,000 | 633,000,000 |

The resumption of imports began at once on a very large scale; a reduction of imports ensued, and since 1923 again a gradual increase of imports has set in.

The composition of the imports is shown in the table below, presenting the percentage of the im-

ports of each group as compared with the total imports on the basis of pre-war prices:

Percentage of Import Groups

| Year | Foodstuffs Per cent | Raw materials and Semi- finished | Manufac- tured | Animals Per cent |
|---------|------------------------|---|----------------------|---------------------|
| | | Products Per cent | Articles Per cent | |
| 1913 | 13 | 51 | 35.5 | 0.5 |
| 1922-23 | 12.3 | 40.8 | 46.9 | — |
| 1923-24 | 8.4 | 60.1 | 31.5 | — |
| 1924-25 | 24.0 | 44.0 | 31.8 | 0.2 |

The total amount of imports during the last fiscal year does not exceed one-third of the pre-war figure. The part played by the various countries has changed as compared with the pre-war imports. Thus the part played by England increased from 13.9 per cent before the war to 24.4 per cent in 1923-24, and to 17.1 per cent in 1924-25. Germany's part in Russian imports fell considerably, viz., from 52 per cent before the war to 16 per cent in 1924-25. The part played by the United States increased considerably—from 6 per cent before the war to 29.7 per cent in 1924-25, the chief import item from the United States being cotton.

The Trade Balance

The trade balance for the last few years shows the following figures in millions of rubles according to prices of 1913 (they refer to transactions across the European frontier only):

| | Exports | Imports | Balance |
|---------|---------|---------|---------|
| 1913 | 1,421 | 1,220 | +201 |
| 1920-21 | 10 | 201 | -191 |
| 1921-22 | 64 | 271 | -207 |
| 1922-23 | 133 | 148 | -15 |
| 1923-24 | 340 | 208 | +132 |
| 1924-25 | 320 | 356 | -36 |

The balance of trade for 1924-25 according to present prices, including the turnover across the Asiatic frontier shows the following figures: Exports—567,000,000 gold rubles; imports—709,000,000 gold rubles, giving an adverse balance of 142,000,000 gold rubles.

The customs revenues during that period show the following figures:

| | 1913 Per cent | 1923-24 Per cent | 1924-25 Per cent |
|------------------|------------------|---------------------|---------------------|
| Import duties | 98.4 | 82.7 | 90.8 |
| Export duties | 0.1 | 8.2 | 6.5 |
| Various revenues | 1.5 | 9.1 | 2.7 |
| | 100 | 100 | 100 |

The overwhelming share of the customs revenues was thus derived from import duties the same as before the war.

The next issue of the "Russian Review" will appear on October 1, 1926.

Soviet Exports and Imports in 1925-26

MARKED gains were registered in Soviet foreign trade for the first nine months of the current Soviet fiscal year, October 1 to July 1, according to customs statistics covering the European frontiers only. The turnover was \$493,627,500, with exports of \$225,261,000 and imports of \$268,366,500, giving an unfavorable balance of \$43,105,500. The turnover showed an increase of 23.2 per cent over the same period last year, exports having increased 31.3 per cent and imports 17.2 per cent. For the same period last year the turnover was \$400,464,000 and the adverse balance \$57,268,000.

During the third quarter of the current year the tendency towards an adverse trade balance showed a marked reduction, and in June, the last month of the period, there was a favorable balance of \$566,500. Exports increased 35.6 per cent as compared with May, and imports 22.1 per cent. The June exports of grain increased 31 per cent over May, exports of eggs and butter doubled, and marked gains were scored in timber, oil products and manganese ore. There was a seasonable falling off in exports of furs and flax.

Conditions are regarded as good for a favorable trade balance for the last quarter of the fiscal year, though grain exports of the new crop will not begin until September. Late reports give a marked increase in the grain crops over last year.

Soviet Trade Across Asiatic Frontiers

Statistics of the Asiatic trade of the Soviet Union for the first six months of the current Soviet fiscal year, October 1 to April 1, show an increase of 28 per cent over the same period of last year. The turnover was \$41,921,000, including exports of \$18,231,000 and imports of \$23,690,000. The turnover for the same period of last year was \$32,496,500.

The exports reflected the marked expansion of the Soviet sugar and textile industries during the year. The principal items were sugar \$4,480,500, cotton fabrics \$3,296,000, grain \$1,648,000, furs \$1,751,000, timber \$1,596,500, oil products \$1,545,000. The principal imports were dried fruits, rice, wool, cotton, tea and cattle.

Trade with Persia comprised over half of the turnover over the Asiatic frontiers, with exports of \$9,939,500 and imports \$11,793,500. Figures for China were exports \$3,502,000, imports \$4,120,000; Japan, exports \$1,802,500, imports \$618,000.

American Trade With the Soviet Union

American trade with the Soviet Union during the first six months of 1926 showed a turnover of \$33,939,928, a decrease of 48 per cent from the

same period of 1925, according to figures of fourteen trading organizations. The turnover is about 50 per cent higher than the pre-war rate of trade.

American exports to the Soviet Union for the period were \$25,962,982, as compared with \$52,610,645 for the same period last year, while imports were \$7,976,925, as compared with \$6,169,091 last year. Import figures for this year, however, do not include manganese ore, estimated at about \$4,000,000, and furs imported by one large trading company, estimated at about \$1,500,000. Thus imports virtually doubled over the same period of last year.

The sharp decline in American exports to the Soviet Union, upwards of 50 per cent, is explained by the fact that during the first six months of 1925 the Soviet Union was compelled to purchase flour valued at nearly \$18,000,000 in the United States, owing to the poor harvest of the previous summer. Such purchases ceased this year. Cotton purchases this year, valued at \$12,000,000, were less by \$14,500,000 than last year. On the other hand, Soviet purchases of agricultural machinery increased from \$3,415,000 last year to \$6,053,650 this year, oil well machinery from \$690,000 to \$702,529, and other industrial machinery from \$2,516,000 to \$3,700,642.

Some of the principal American imports from the Soviet Union were furs, about \$6,000,000; manganese, about \$4,000,000, casings \$906,124, fibers \$629,208, bristles \$538,876, flax \$418,663, licorice root \$317,892, hides \$242,572.

Manganese Exports

Manganese exports from Chiaturi for the eight months between October 1, 1925, and June 1, under operation of the Georgian Manganese Company, the Harriman concessionary, were 364,000 metric tons. This breaks all post-war records for the Chiaturi fields. The entire output of the Chiaturi fields for the preceding Soviet fiscal year ending September 30 last, was 340,000 tons.

Soviet Oil Exports

Oil exports for the first nine months of the Soviet fiscal year, October 1 to July 1, broke all records. Exports were 987,000 metric tons, an increase of nearly 5 per cent over the same period of last year. In 1913 the oil exports for the entire year were 914,000 tons. Exports of fuel oil are now nearly 500 per cent of the pre-war rate and of gasoline about 250 per cent.

Export of Eggs

Before the war Russia occupied the first place among the exporters of eggs. The present situation of the export of this commodity, as compared with the pre-war period is shown by the following table:

| | Number of carloads | Gold rubles |
|---------------|-----------------------|----------------|
| 1913 | 22,000 | 90,600,000 |
| 1923-24 | 2,333 | 9,121,000 |
| 1924-25 | 5,011 | 26,782,000 |

In 1924-25 the export of eggs reached 25 per cent of the pre-war figure. The falling off of the exports was caused by the increase of domestic consumption due to the low price of eggs.

Industrial Progress

INDUSTRIAL production in the Soviet Union registered big gains during the first half of the Soviet fiscal year, October 1 to April 1, according to preliminary figures of the Supreme Economic Council. As compared with the same period of last year production increased by 44.7 per cent. The average number of workers employed in industry increased 30.2 per cent and the average output per worker increased 11.1 per cent. Advances were particularly marked in the heavy industries.

The cement industry led the general increase, the output being 113 per cent greater than that of the same period last year. The rubber industry increased 96.5 per cent and the output of cast iron gained 92.6 per cent. The coal industry, which advanced very little last year, increased by 44.4 per cent during the period, with an output of 12,410,000 tons, the tobacco industry increased 43.4 per cent, branches of the textile industry showed gains of from 27 to 46 per cent, the output of Marten steel increased by 63.3 per cent and of rolled iron by 71.4 per cent.

The output of the paper industry advanced to nearly double the pre-war rate, the linen industry to one and a half times pre-war, and the match industry to one and a quarter times the figures for 1913. The coal, oil, cement, textile and rubber industries each showed about 90 per cent of the pre-war output. The most backward industry is the metal industry, the cast iron output for the period being 48.5 per cent of pre-war and the output of Marten steel 65 per cent.

Industrial Production During Third Quarter of 1925-26

Industrial production in the Soviet Union in April broke all monthly records since the revolution. April production was 3.26 per cent greater than that of March, and 50 per cent greater than that of April, 1925. This is the first time in four years that the April output exceeded that of March. The increased output was accomplished despite a decrease in the workers employed by 1.3 per cent as compared with March.

As compared with March nearly all the principal industries showed increases in April, ranging in the case of cement industry as high as 17 per

cent. The exceptions were the coal industry and the metal industry, which registered slight seasonal reductions. New records for monthly production were established in the oil, cement and other industries.

The cotton textile industry increased its output 5.7 per cent as compared with March, despite inundations which compelled a number of factories in the provinces of Moscow, Vladimir and Yaroslavl to close for from one to eight days. Cotton yarn produced was 15,867 metric tons as compared with 15,101 tons in March, and finished cloth in thousands of meters was 133,911 as compared with 121,809. Both the woolen and linen industries showed substantial increases for the month.

Industrial production in the Soviet Union during May showed a falling off of nearly 10 per cent from the record breaking figures of April, and an increase of 29 per cent compared with May of last year. The only two major products that showed an increase over April were oil, which established a new monthly production record of 721,796 metric tons, and cast iron, in which the production was 198,262 tons as compared with 189,128 tons in April. The increase in these two products was 9.8 per cent and 4.8 per cent respectively.

Coal production was 1,569,262 tons, a decrease of 5 per cent as compared with April, Marten steel decreased 1 per cent, chemicals 8 per cent, textiles 18.8 per cent. The output of paper was 14,381 tons as compared with 15,735 tons in April.

Industrial production in June, the last month of the period, was 4.1 per cent greater than in May and 30 per cent greater than in June, 1925. Oil production for the month of 731,928 metric tons broke all post-war records. Coal production of 1,771,530 metric tons showed a gain of 11 per cent over May. The cotton textile output increased by 18.2 per cent as compared with May and the woolen industry 14.3 per cent. Metals were stationary and there was a falling off in the chemical, electro-technical and rubber industries. The paper industry, now far beyond pre-war production, gained 5.8 per cent.

Production of Tractor Spare Parts

In accordance with a suggestion made by the Supreme Council of National Economy it is intended to reequip a few sections of the vast Putilov works in Leningrad for the purpose of turning out spare parts for "Fordson" tractors. The requirements of the country with regard to such spare parts are to be satisfied by gradually extending their output from 13 per cent in 1926-27 to 100 per cent in 1931-32. At the present time the number of Fordson tractors working in the Soviet Union is about 20,700; it is expected that

by the end of the five-year period their number will increase to 77,500,000.

Large and Small Scale Industry in the U. S. S. R.

The development of the various forms of Soviet industry is shown in the table below:

Gross Output in Thousands of Gold Rubles

| | 1923-24 | 1924-25 | Percent- age of increase |
|-------------------------------------|-----------|-----------|--------------------------------|
| Large Scale Industry: | | | |
| State | 3,346,322 | 4,913,606 | 46.8 |
| Cooperative | 204,451 | 394,460 | 93.0 |
| Private | 195,654 | 252,247 | 28.9 |
| Total Large Scale Industry | 3,746,427 | 5,560,313 | 48.4 |
| Small Industry: | | | |
| State and Cooperative | 200,202 | 232,234 | 16.0 |
| Private | 1,468,149 | 1,703,050 | 16.0 |
| Total Small Indus- try | 1,668,351 | 1,935,284 | 16.0 |
| Grand total | 5,414,778 | 7,495,597 | 38.4 |

The relation between the nationalized and non-nationalized industries is expressed by the following figures (in thousands of gold rubles):

| | 1923-24 | Percent- age | 1924-25 | Percent- age |
|------------------------|-----------|-----------------|-----------|-----------------|
| Nationalized | 3,750,975 | 69.3 | 5,540,300 | 74 |
| Non-Nationalized | 1,663,803 | 30.7 | 1,955,297 | 26 |
| Total | 5,414,778 | 100 | 7,495,597 | 100 |

Thus, about three-quarters of the industrial output of 1924-25 were produced in State or co-operative enterprises.

Mining Industry in the U. S. S. R.

AT the first Federal Mining Technical Congress of the U. S. S. R. held in Moscow, all phases of the mining industry, including the oil industry, were discussed, including the latest technical methods and the training of engineers and technicians to direct the rapidly increasing output.

Representatives of the oil industry reported that the output would be increased from 8,500,000 metric tons during the present fiscal year, to 12,000,000 tons in 1929-30. Professor Taneyev pointed out that the Soviet Union contained 75 per cent of the world's resources in peat, and the development of this fuel was of great importance to the electric generating plants and to the textile industry.

A report on recent explorations in the Urals cited tremendous prospects for the mining of iron, copper, coal, gold, platinum, asbestos, and other minerals in hitherto untouched territory. Professor P. P. Lazarev, chemist, and other members of the Academy of Sciences reported on extensive

explorations and surveys undertaken by the Academy to reveal for exploitation new sources of mineral wealth. Plans were discussed for the production of arsenic, aluminum and the mining of graphite, tin, and other metals not hitherto produced in the Soviet Union.

Prospective plans for the development of the various branches of the mining industry were fully outlined by the engineers and scientists.

The delegates, numbering 503, included administrative and technical representatives of the various Soviet mining trusts, mineralogists and geologists of the Russian Academy of Sciences, officers of the labor organizations and representatives of the Supreme Economic Council and other departments of the Government.

Soviet Oil Production

Oil production in the Soviet Union has now reached the pre-war level and is gaining steadily. During the current year approximately \$40,000,000 is being spent on improvements and extensions, and much oil well machinery is being imported from the United States, Germany and England. The mechanical condition of the large Baku and Grozny fields is now reported as far superior to the pre-war condition. Production has tripled in the past four years.

Soviet oil production during the first half of the current Soviet fiscal year, was 3,783,000 metric tons, an increase of 16 per cent over the same period of last year, and oil exports for the period were 627,000 metric tons, an increase of 24 per cent. Production was 86.5 per cent of the rate for 1913 and exports were nearly 140 per cent of the rate for 1913.

Production for April was 661,267 metric tons, as compared with 638,626 tons in March and 582,108 tons in April, 1925. Gusher production for the month was heavy, amounting to 201,500 tons. New drillings were 25,000 meters, as compared with 21,155 in March, an increase of 18 per cent.

Oil production in the Soviet Union for May broke all monthly records for post-war production, with an output of 721,796 metric tons. The month's output compares with 661,008 tons in April, an increase of 9.2 per cent, and 589,961 tons in May, 1925, an increase of 22 per cent.

The number of wells in process of drilling and deepening during the month was 436, as compared with 426 in April. Drillings were 25,310 meters, as compared with 25,132 meters in April. Despite the increased output, the number of workers in the fields at the end of May was only 37,019, as compared with 37,363 at the end of April.

Production for June was 731,928 metric tons, breaking all monthly records since the war. The output for June showed an increase of 1.4 per cent

over May, though the number of men employed in the fields decreased by 1 per cent. New drillings for the month were 27,609 meters.

Progress of Coal Industry

Coal production in the Soviet Union for the first half of the current Soviet fiscal year, October 1 to April 1, showed an increase of 44.4 per cent over the same period of last year. The output was 12,410,000 metric tons as compared with 8,596,000 tons. The advance in production was carried out as planned in accordance with domestic requirements and the growing exports to Italy and other countries. Production was at 91 per cent of the rate for 1913.

Much new equipment, purchased in the United States, Germany and England, is being installed in the Soviet coal fields. During the current year upwards of \$40,000,000 will be expended on re-equipment and extensions. Of 180 cutting machines being installed in the Don Basin, 140 were purchased in the United States. During the summer thirteen large new shafts will be opened in the Don Basin.

Development of Soviet Coal Mines

The first order on the 300-million-mark credit granted by the German Government for Soviet purchases in Germany has been concluded by the Donugol coal trust of the Don Basin. The order is for three large turbines to be used in connection with the extensive electrical installations planned for the Don mines. Deliveries are to be made in five months and the credit terms extend over four years. Other orders for electrical equipment, on long term credits, have been placed in France, where it is planned to spend \$670,000 on such apparatus. Soviet technicians found French prices about a third lower than those that obtained in Germany.

Negotiations are now in progress with a number of firms for general mining machinery for the new mines to be opened in the Don Basin. Equipment will be ordered in the United States, France and Germany.

Reorganization of the Autonomous Kuzbas Colony

The Autonomous Industrial Colony "Kuzbas" which in 1922 under an agreement concluded with the Soviet Government had taken over the operation of the Kemerovo coal mines, has been merged with the Kuznetz Basin Coal Trust ("Kuzbas-trust") into one trust of federal scope.

The reorganization was called forth by the fact that at present the Kuznetz Basin is faced by the task of rapidly increasing its output. During the current year the sale of the coal will amount to about 1,350,000 metric tons, in 1926-27 it is expected to rise to 1,985,000 tons, in 1927-28 to

2,255,000 tons, in 1928-29 to 2,485,000 tons and in 1929-30 to 3,017,000 tons. This increase in the sale of Kuzbas coal is closely connected with the development of the Ural metal industry, practically the only consumer of Kuznetz coke whose output is to increase from 150,000 tons in the current year to 585,000 tons in 1929-30. This intensive development of the Kuznetz Basin has rendered necessary a complete and harmonious co-ordination of the technical and commercial activities of the various coal mining enterprises of the region.

Output of Coal in the Kuzbastrust Mines

In the course of the first half of the fiscal year 1925-26, 414,103 metric tons of coal were extracted in the mines of the Kuzbastrust. As compared with the first half of the preceding year, the output increased by 190 per cent, which is due to the fact that the mines were working at full capacity. The selling price of coal was reduced. In addition to the seven shafts in operation the equipment of three new shafts is contemplated with an annual output of 70,000 tons per shaft.

Soviet Gold Mining Industry

The output of gold in the course of the last three years is shown by the following figures published by the Supreme Council of National Economy:

In 1923-24 53,280 pounds of gold were mined in all gold fields of the Soviet Union, the number of workers amounting to 29,500. In 1924-25 the gold output was 64,980 pounds, the number of workers occupied amounting to 26,926. In 1925-26 an output of 68,940 pounds is expected, the number of workers being 30,986. These figures show that both the gold output as well as the labor efficiency are growing. In 1913 Tsarist Russia produced 114,300 pounds of gold, the number of workers employed being 88,000. Thus before the war one worker produced approximately 1 pound and 5 ounces of gold, while in 1925-26 the individual output amounted to 2 pounds and 3 ounces.

Building and Timber Concessions in the Soviet Union

THE new regulations adopted by the Soviet Government whereby concessions for construction work of all kinds may be secured by foreign capital, are explained in a statement by Joffe, associated with Trotzky in the chairmanship of the Chief Concessions Committee. The construction concessions constitute a new departure in the policy of the Soviet Government.

According to Joffe, foreigners may secure independent concessions or concessions in association with some Soviet institution, either a Government organization or one of the trusts or syndicates. In either case the concessionary has the right to participate in bids for contracts on an equality with native building organizations; he may import duty-free machinery, tools and equipment necessary to his work; he may build all kinds of subsidiary factories and workshops; he may import from abroad all construction materials lacking in the U. S. S. R. and may bring in highly skilled workers, technical personnel, etc. In regard to taxes and assessments he is on an equality with Government organizations operating on a commercial basis.

In housing construction the concessionary may run the buildings commercially with a free hand as to rents and housing area. He may exploit a certain area of the buildings as restaurants, stores and offices.

Joffe revealed for the first time that the Concessions Committee has under consideration a number of major applications from foreigners. These include a concession for the exploitation of the oil fields of Emba, one for mining iron in the basin of Krivoi Rog, and several for the construction of railroads, two of them on a very large scale. The nationality of the applicants for these concessions was not announced.

Activities of the German Timber Concession "Mologoles"

In the course of the two years of its activities the German timber concession "Mologoles" erected and put into operation three saw-mills with 11 gang-saws; two more gang-saws are to be installed this year. In the village Pestov a plant was opened recently for the manufacture of wooden ribs which are used in the construction of bridges, hangars and other large structures.

The "Mologoles" enterprise intends to extend its activities through the erection of a large cellulose factory which is to cost about 20,000,000 gold marks.

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

PRICE, 25 CENTS

Soviet Finances

THE economic revival of the country and the growth of the national income of the U. S. S. R. have brought about a considerable and rapid increase of the budget. As compared with the preceding year the budget for 1924-25 increased by 28.2 per cent, while the budget of the current fiscal year 1925-26 increased by 40.4 per cent as compared with that of 1924-25. During the last three fiscal years the expenditures of the federal Soviet budget show the following changes:

| Year | Gold Rubles | Percentage Relation to 1923-24 |
|--------------|---------------|--------------------------------|
| 1923-24..... | 2,215,200,000 | 100 |
| 1924-25..... | 2,875,600,000 | 129.8 |
| 1925-26..... | 3,921,500,000 | 177.0 |

The changes in the absolute and relative figures of the various items of expenditure beginning 1923-24 are shown in the following table:

| | 1923-24 | | 1924-25 | | 1925-26 | |
|--------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|
| | Millions of Rubles | Per Cent | Millions of Rubles | Per Cent | Millions of Rubles | Per Cent |
| Transport & Posts... | 732.0 | 33.1 | 996.9 | 44.7 | 1,469.7 | 67.5 |
| National Defense.... | 415.0 | 18.7 | 445.9 | 15.5 | 608.6 | 15.5 |
| Other Federal Commissariats | 447.0 | 20.2 | 552.8 | 19.2 | 781.0 | 19.9 |
| Federal Treasury Operations | 122.6 | 5.5 | 171.5 | 6.0 | 182.8 | 4.7 |
| Contributions to Local Budgets | 129.8 | 5.9 | 271.6 | 9.4 | 334.8 | 8.5 |
| Financing of National Economy | 264.2 | 11.9 | 388.1 | 13.5 | 544.6 | 13.9 |
| Other Expenditures.. | 104.6 | 4.7 | 48.8 | 1.7 | ..... | .... |
| Total..... | 2,215.2 | 100 | 2,875.6 | 100 | 3,921.5 | 100 |

The above table shows that the expenditures for the transport and the postal and telegraph systems, as well as for the development of the national economy are steadily increasing. As compared with 1923-24, there is to be noticed a marked reduction in the relative amount expended for National Defense and the various federal Commissariats (Trade, Foreign Affairs, etc.) and a considerable increase in the contributions to local budgets.

Internal State Debt of the Soviet Union

The internal State debt of the Soviet Union as of July 1, 1926, amounted to 589,638,000 gold rubles (about \$303,664,000). The debt was divided into the following categories:

| Description | Gold Rubles |
|-----------------------------------|-------------|
| First Lottery Loan..... | 99,884,000 |
| Second Lottery Loan..... | 58,029,000 |
| 5 per cent Short Term Loan..... | 1,620,000 |
| 8 per cent Internal Loan..... | 80,059,000 |
| Peasant Loan of 1924..... | 8,109,000 |
| Second Peasant Loan..... | 68,598,000 |
| Short Term Treasury Bonds..... | 90,369,000 |
| Economic Reconstruction Loan..... | 182,970,000 |
| Total | 589,638,000 |

On January 1, 1926, the internal debt was \$257,465,000.

Financial Statement of Issue Department of State Bank of the Soviet Union

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of August 16, expressed in chervontzi valued at \$5.14½, with comparison of August 1, follows:

| Assets: | August 16 | August 1 |
|---|------------|------------|
| Gold coin and bars..... | 14,787,426 | 14,768,641 |
| Platinum | 3,056,163 | 3,056,163 |
| Foreign currency..... | 5,042,503 | 5,027,196 |
| Drafts in foreign currency..... | 192,888 | 192,888 |
| Bills in chervontzi..... | 56,835,153 | 56,869,245 |
| Securities covering advances.. | 85,867 | 85,867 |
| Total..... | 80,000,000 | 80,000,000 |
| Liabilities: | | |
| Bank notes transferred to State Bank..... | 78,580,811 | 75,161,867 |
| Balance to which notes may still be issued..... | 1,419,189 | 4,838,133 |
| Total..... | 80,000,000 | 80,000,000 |

Eighty million chervontzi equal 800,000,000 gold rubles.

Currency in Circulation on July 1, 1926

Currency in circulation on July 1, 1926, was 1,209,387,300 gold rubles (\$622,834,305), showing an increase of 36,516,500 rubles or 3.1 per cent as compared with the amount in circulation on June 1 (\$604,028,462). The corresponding figure for January 1, 1926, was \$653,738,779.

The currency, as given in rubles is divided as follows:

| | Gold Rubles |
|-------------------------------|---------------|
| Bank notes of State Bank..... | 696,790,300 |
| Treasury bills..... | 359,284,200 |
| Silver coins..... | 140,290,000 |
| Copper coins..... | 8,381,100 |
| Bronze coins..... | 359,500 |
| Small change paper..... | 4,282,200 |
| Total | 1,209,387,300 |

Activities of Soviet Banks

The aggregate amount of the balance sheet totals of the State Bank and of the ten most important commercial banks (Commercial-Industrial Bank, Bank for Foreign Trade, All-Russian Cooperative Bank, Moscow City Bank, Electro-Bank, Central Asiatic Bank, Central Agricultural Bank, Central Municipal Bank, North-Caucasian Bank and Far Eastern Bank) for the period from October 1, 1925, to May 1, 1926, shows a very considerable increase (12.3 per cent)—amounting to

3,825,300,000 gold rubles on May 1, 1926, as against 3,406,000,000 gold rubles on October 1, 1925. The total deposits and current accounts at the end of these seven months amounted to 1,560,400,000 gold rubles, 709,100,000 gold rubles constituting the deposits and current accounts of the People's Commissariat for Finances, while the deposits and current accounts of other organizations amounted to 851,300,000 gold rubles. The corresponding amounts on October 1, 1925, aggregated 1,425,000,000 gold rubles, of which 568,500,000 rubles were made up of deposits and current accounts of the Commissariat for Finances while 856,500,000 gold rubles were deposits and current accounts of other organizations.

Activities of the All-Russian Cooperative Bank

The Cooperative Bank was originally founded for the purpose of serving the needs of the consumers' cooperatives. After operating during one year in this original capacity the bank became later the credit center of all kinds of cooperatives.

The activities of the Bank in its new form are shown by the following figures: On October 1, 1924, the capital stock of the All-Russian Cooperative Bank amounted to 12,000,000 gold rubles. In the course of the following year the capital of the Bank increased by over 3,000,000 rubles, and between October, 1925, and April, 1926, it increased by an additional amount of 1,000,000 rubles, reaching the figure of 16,750,000 rubles. This capital was made up of contributions of the various cooperatives, which means that the Bank succeeded in becoming a real medium for accumulating the resources of the population through the cooperative organizations.

A meeting of the stockholders of the Bank which took place in the beginning of June decided to increase the capital of the Bank by 10,000,000 rubles.

The Electro-Bank During the First Half of 1925-26

In the course of the first half of 1925-26 the total of the balance sheet of the main office of the Electro-Bank increased from 38,600,000 gold rubles to 53,700,000 gold rubles. During the same period the capital stock increased from 8,000,000 to 10,500,000 gold rubles.

Savings Banks in the Soviet Union

The total amount of Savings Banks deposits on July 1, 1926, was 70,427,268 gold rubles. In the course of June the number of depositors increased by 45,022, constituting a total of 1,110,090. The number of new savings depositories opened during the month was 267, their total number amounting to 13,844 units.

Sea, River and Land Transport

AT the beginning of the navigation season of 1926 the following Soviet Steamship Lines were in operation: Archangel-Murmansk-Vardö—one trip every fortnight; Leningrad-London—a rapid line with two sailings weekly; Leningrad-Hamburg—a rapid line with two sailings weekly; Odessa-Near East—one sailing in two weeks; Odessa-Vladivostok—five trips every year, and Vladivostok-Shanghai-Canton.

In addition to this the Soviet Merchant Marine has opened the Black Sea-Baltic Line, a rapid line alongside the European coast which will connect Leningrad with the Black and Azov Sea ports.

The Soviet Merchant Marine

The proportion of Soviet export and import trade carried in 1925 on vessels of the Soviet Merchant Marine was 8.5 per cent of the total.

As compared with 1924—9.2 per cent—this percentage represents a certain reduction in spite of the fact that in 1925 the freight turnover increased by 32 per cent as compared with 1924, and also in spite of the improvements effected and the increase of its tonnage from 151,000 register tons in 1924 to 185,000 register tons in 1925.

At the present time all ships have been repaired. In the Soviet shipbuilding plants 31 ships are now being built, their total value amounting to 34,000,000 gold rubles.

Orders have been placed in other countries for the construction of 4 vessels for coast shipping with a total tonnage of about 5,000 tons, and for 4 tankers for the Oil Syndicate with a total tonnage of about 36,400 tons.

Since Spring 1925, freight transport was reorganized along new lines, the entire freight transport being submitted to the supervision of the People's Commissariat for Commerce.

German Coast Shipping in Soviet Waters

In accordance with the German-Soviet Trade Agreement, German vessels have been granted the right of coast shipping between Black Sea ports. Since March 12, 1926, all German ships arriving in Odessa have been put on an equal basis with Soviet ships; they are being granted all kinds of facilities, both as regards port dues and the use of the loading and unloading appliances.

Foreign Shipping in the Southern Ports of the Soviet Union

During the first half of the current year, 671 foreign steamers called at the southern ports of the U. S. S. R. This is 43.2 per cent of the corresponding number of calls in 1913. As compared with the average figures for 1913, the ships of the following countries have increased the number

calls at the southern ports: Norway, Greece, Spain, Italy, France and Germany; ships of the following countries have reduced their calls: Belgium, Sweden, Holland, Great Britain, Turkey and Denmark. There were no calls of Bulgarian and Rumanian ships. For the first time the southern ports were visited by Persian and American craft.

Growth of the Port of Murmansk

Since the beginning of 1926 over 140,000 tons of export and import freight have passed through the port of Murmansk. As compared with the figures of the previous year, the volume of export freight shipped through this port doubled, while import freight increased three and a half times.

Navigation on the Volga River

The freight transport on the Volga River is constantly increasing. In spite of the considerable loss of steamers caused by the Civil War the freight turnover on the Volga River for the fiscal year 1925-26 (beginning October 1, 1925) will reach 86 per cent of the pre-war level; according to plans laid down for the next few years the 1913 level is to be exceeded in 1928. Before the war 13,400,000 metric tons of freight were shipped on Volga River vessels, not including rafting.

Railway Connection Between the Soviet Union and Central Europe

The People's Commissariat for Transport of the Soviet Union and the Department of Ways of Communication of Czecho-Slovakia have ratified the decisions adopted at the railway conferences of the representatives of the Soviet Union, Germany, Austria, Italy, Czecho-Slovakia and Poland. The conferences took place in Warsaw and Prague from February 22 to March 18.

In accordance with these decisions four new direct railway connections for passenger and luggage transportation between the Soviet Union and Central Europe are to be established, viz.: between the Soviet Union and Czecho-Slovakia, between the Soviet Union and Austria, between the Soviet Union and Italy, and between the Soviet Union and Germany by way of Poland. The following are the stations mentioned in the tariff decisions: In the Soviet Union: Leningrad, Moscow, Minsk, Kharkov, Kiev, Odessa, Tiflis, Rostov-on-Don and Vladivostok. In Czecho-Slovakia: Prague, Carlsbad, Marienbad, Brünn (Brno) and Bratislava. In Austria: Vienna and Salzburg. Italy: Florence, Genoa, Milan, Meran, Rome, Venice and Ventimiglia.

The following are the Soviet frontier stations for westward trips: Negoreloye (U. S. S. R.)-Stolpce (Poland), Shepetovka (U. S. S. R.)-Zdobunowo (Poland), and Volochysk (U. S. S. R.)-

Podwoloczyska (Poland). The United States dollar has been adopted as the currency in which the accounts between the countries concerned will be settled. Tickets will be issued in the form of coupon books and will be valid thirty days. For trips starting in Tiflis, Rostov-on-Don and Vladivostok the validity will extend from 45 to 60 days.

In addition to this the People's Commissariat for Transport ratified a decision concerning freight transport between Germany and the Soviet Union, by way of Poland. A railway conference of representatives of the Soviet Union, Germany, Italy, Austria, Czecho-Slovakia and Poland which will take place in Moscow in September of the current year, will be concerned with a detailed elaboration of all the questions referring to the execution of the above decisions.

Soviet-Polish Railway Traffic

About the middle of May direct freight railroad traffic and on the first of July direct passenger and luggage traffic was opened between the Soviet Union and Poland.

Direct passenger and luggage connection with transfers on the border stations comprises the following stations for the time being: Vladivostok, Manchuria (station on the Soviet-Manchurian frontier), Novo-Sibirsk (formerly called Novo-Nikolaievsk), Orenburg, Tashkent, Tiflis, Rostov-on-Don, Saratov, Kharkov, Moscow, Leningrad, Kiev, Simferopol, Odessa, Ekaterinoslav, Volochysk, Shepetovka, Zhitkovichi, Minsk, Negoreloye, Farinovo.

In Poland direct connection with the Soviet Union includes the following stations: Posen, Danzig, Lemberg, Cracow, Lodz, Warsaw, Brest, Bielostok, Grodno, Vilno, Stolpce, Baranovichi and other stations.

Passenger and luggage transport will be effected against direct tickets and luggage receipts which will be issued for the entire trip. Freight transport will be effected on the basis of direct international bills of lading printed in Russian and Polish, in accordance with the International Convention of Berne concerning railway freight transport.

Railway Connection with the Tadjik Republic

The unsatisfactory condition of the post and telegraph system and a complete lack of good roads have until recently greatly hampered the economic development of the Tadjik Soviet Republic in Central Asia. Recently the Government of the Tadjik Republic decided to construct a railway line between the city of Termez on the Amu-Daria River, and Dushembe, the capital of the Republic.

Railway Reconstruction

The railway administration of the Soviet Union is expending \$50,000,000 on reconstruction during the current fiscal year, ending October 1 next, as compared with \$20,000,000 in 1924-5.

In addition to repair of roadbed and of railway structures of all kinds, the program includes the replacement of 20,000,000 ties and 3,600 switches, the laying of 1,470 miles of new rails, the rebuilding of old bridges with a total metal weight of 18,000 tons and the reconstruction of 640 small bridges. The work further includes an elaborate program for the development of junctions and intermediate stations, and the establishment of new switching tracks, in all involving the laying of 535 miles of new tracks. New stations, shops, etc., covering 735,000 square feet will be built during the year, and new freight sheds covering 833,000 square feet.

Purchase of German Locomotive Plant

The Supreme Economic Council of the Ukraine has voted to purchase in Germany the Rheinmetall Locomotive Works, which will be moved to Lugansk in the Ukraine, according to advices from Kharkov.

The new plant, which is equipped with the latest modern machinery and is capable of turning out 500 locomotives a year, will be an important addition to the existing locomotive works at Lugansk. The cost price is 7,500,000 marks, with a 5 year credit. The price is estimated at only 45 per cent of present cost of construction.

Health Protection in the Red Army

IN the course of the last eight years great progress has been achieved in the protection of the health of the Red Army. The statistical data show that the number of cases of parasitic typhoid diseases has been reduced to the level of 1913; the comparatively rare cases of typhoid diseases fall to the share of the young recruits who had taken sick before they joined the colors.

In 1925 the number of typhus cases was eighteen times lower than in the old army in 1913. This great achievement is due to mass vaccination and to the hygienic education of the Red Army soldiers. Last year the number of malaria cases was half the number of such cases in 1924 and one-third of those in 1923. In the regions which are suffering most from malaria, such as Turkestan and Transcaucasia, the pre-war level has practically been reached. This great progress was a result of the sanitary hydro-technical activities carried out by the military sanitary authorities with the resources of the military organizations. Where the application of other remedies against malaria was impossible,

quinine was used on a large scale for prophylactic purposes.

The old Russian army ranked highest among all the other armies with regard to the frequency of venereal diseases. The World War greatly contributed to the spread of syphilis among the population of both combatant and neutral nations. This in turn contributed to the increase of the number of infected persons in all the standing armies of the post-war period. In spite of the fact that there are many villages in which syphilis is endemic, the number of Red Army soldiers suffering with venereal diseases was in the course of 1925 half the number of affected soldiers of the Russian Army before the war. Moreover, the largest number of venereal diseases falls to the share of young men who just joined the colors, and the number of new cases occurring during the service shows a considerable decrease. This achievement is due to a broad application of all the available medical means.

The total sick-rate and mortality in the Red Army is much lower than in the old Russian army. Out of 1,000 soldiers in active service, 384.5 were on sick-leave in 1913, and 373 in 1925. Out of 1,000 patients, 0.78 died in 1913, while the corresponding ratio in 1925 was 0.47.

It is natural that the reduced sick-rate had its influence upon the fighting and working ability of the army. In 1913 the number of days of sick-leave per soldier was on the average 9.7, while in 1925 that number was reduced to 6.4.

This great progress is also in part due to the improvements in the system of military medical education. The program of the Military-Medical Academy has been broadened both for students and physicians who have been sent there for additional studies. A number of short term courses have been organized for military surgeons in the various branches of military sanitary activities, such as military-chemical work, medical service in the air fleet, psycho-physical investigation, etc. A number of measures were adopted to improve the quality of the first aid medical workers (male nurses).

Radio Progress in the U. S. S. R.

AT the beginning of the year there were upwards of 225,000 radio sets registered and in use in the U. S. S. R. The number of sets in use was increasing at the rate of 25,000 per month. Scores of thousands of sets, equipped with loud speakers, were being used in village reading rooms and in workers' clubs in the cities and each of these is patronized by hundreds of fans daily, particularly when the noonday and evening radio newspapers are broadcasted from Moscow and other cities. Several million persons listen in on the various programs every day.

The low current trust, which has virtually a monopoly in the manufacture of radio apparatus in the Soviet Union is having difficulty in keeping up with the demand. It plans to provide 1,300,000 receiving sets during the next few years. This year's program calls for an output of 27,000 tube sets, as against 6,500 produced last year, and 48,000 crystal sets, as against 30,000 last year.

The elaborate programs caught by the microphone in Moscow every day, including symphonic and chamber music, opera and drama, lectures and educational and newspaper material, are broadcasted over a radius of 600 miles by a system of hook-ups in which stations in Leningrad, Kharkov and various provincial cities participate. This system of hook-ups will be greatly enlarged this year, so that natives on the Arctic coast and on the shores of the Black and Caspian seas will be able to get the Moscow programs simultaneously with the simplest sets.

New transmission stations have been opened in nine provincial cities this year. A new 25-kilowatt station is under construction in Moscow and a 10-kilowatt station in Leningrad. Other stations are being built in Dushembe and Samarkand in Central Asia. A plan for future radio construction has been worked out, which includes the building of a 100-kilowatt station in Moscow and 30-kilowatt stations in Novo-Sibirsk (formerly Novo-Nikolayevsk) and Tashkent.

Soviet radio fans are showing increasing interest in foreign programs, which they get without difficulty in many places. Not long ago the city of Tomsk, Siberia, heard the full program of the powerful Daventry station, England, over 3,500 miles away. It appears that the reports that Soviet radio fans caught American stations some time ago was an error. What they heard was an orchestra in a Berlin hotel playing American jazz.

Several Soviet steamships have been equipped with radio telephones, and experiments have been started to install them on the principal express trains.

Administrative Appointments and Changes

ON August 5, 1926, the Presidium of the Central Executive Committee of the Soviet Union decided to appoint Valerian Vladimirovich Kuybyshev Chairman of the Supreme Council of National Economy relieving him at the same time of his post of People's Commissar of Workers' and Peasants' Inspection of the U. S. S. R.

V. V. Kuybyshev, who thus fills the post made vacant by the death of Felix Dzerzhinsky, was born in 1888 in Omsk, Siberia. In the revolutionary movement against the Tsarist Government since 1904, he took a prominent part in the events of 1917 and the ensuing Civil War. After its conclusion he was first active in the All-Russian Cen-

tral Council of Trade Unions. Later he became member of the Presidium of the Supreme Council of National Economy, being at the same time head of the Chief Administration of the Electrical Industry. In 1922 he was elected member of the Central Committee and Secretary of the Communist Party. In 1923 he became Chairman of the Central Control Commission of the Party and was subsequently appointed People's Commissar of Workers' and Peasants' Inspection. Last year he was appointed Acting Chairman of the Council of People's Commissars remaining at the same time People's Commissar of Workers' and Peasants' Inspection.

The Kirghiz Autonomous Republic

Some time ago the Presidium of the Central Executive Committee of the Russian Socialist Federal Soviet Republic (Soviet Russia proper, in abbreviation R. S. F. S. R.) decided to convert the Kirghiz Autonomous Area into an Autonomous Socialist Soviet Republic. The population of the Kirghiz Autonomous Socialist Soviet Republic is about 750,000. Its area is 74,000 square miles. The capital is Pishpek. The Kirghizes constitute 63.5 per cent of the population, the Uzbeks 15.4 per cent, the Russians 16.8 per cent. The new republic is situated in the south-eastern part of the Central Asiatic territory, formerly called Russian Turkestan. To the east and the south the Kirghiz Republic borders on China; to the south and west on the Tadjik and the Uzbek Soviet Republics, and to the north on the Kazak Autonomous Soviet Socialist Republic. The Kazak Republic is also inhabited mainly by Kirghizes and was formerly called "Kirghiz Autonomous Soviet Socialist Republic." At that time the territory of what at present is called "Kirghiz Autonomous Soviet Socialist Republic" was called "Karakirghiz Autonomous Area." Its name was later changed into "Kirghiz Autonomous Area" and recently it was proclaimed an autonomous republic.

P A M P H L E T S

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5. The Patent Law of the U. S. S. R.—15c.
6. Commercial Handbook of the Soviet Union.—25c.

Miscellaneous News

Electric Power Stations

Electric power stations engaged in general public service in the Soviet Union at the beginning of 1926 had a total capacity of 804,000 kilowatts as compared with 396,600 in 1917. During the year these power plants were increased by 200,000 kilowatts capacity, and during 1926 new construction will add 271,000 kilowatts more. The kw. capacity of the different types of stations in January was as follows: regional, 281,000; city, 505,000; village, 18,000.

The notable increase is in the regional stations which will form the superpower development of the Soviet Union. By the end of the year these stations will be brought to about 475,000 kw. capacity.

The Chief Electrical Administration reports that the city public service stations in Moscow, Leningrad, Baku and 87 provincial cities supplied 1,131 million kilowatt hours last year as compared with 904 million in 1924, an increase of 25 per cent. Moscow led with a per capita consumption of 202 kwh., Leningrad's was 151 kwh., the figure for the provincial cities was 42 kwh. The production of electric power in Moscow last year was 225 per cent of the pre-war figure and in Leningrad 129 per cent. Of the 292 million kwh. furnished by public service stations in Moscow 154 million was used for industrial purposes, 86 million for lighting and 52 million for the municipal trolley system.

The Central Electrical Administration estimates the total kwh. used in the Soviet Union during the year at three billion, of which 1,200,000,000 kwh. was provided by public service stations and 1,800,000,000 kwh. by factory and mill stations.

Building Activities in the Soviet Union

The development of the building activities in the U. S. S. R. in the course of the last few years is shown by the following figures: In 1922-23, 100 to 150 million gold rubles were spent for construction work, in 1923-24, 250 to 300 million gold rubles, an increase of 220 per cent; in 1924-25, 500 to 550 million gold rubles, an increase of 420 per cent; in 1925-26, 900 to 1,000 million gold rubles, an increase of 760 per cent. The building activities during the coming fiscal year 1926-27 (beginning October 1, 1926) are expected to reach the figure of 1,250,000,000 gold rubles, not including similar activities in the rural localities. However, even for the coming year the building activities will reach only 60 to 70 per cent of the pre-war figure.

Attracting Private Capital to Industry

The Presidium of the Supreme Council of National Economy has decided to facilitate the activities of private capital in industry. Private manufacturers are permitted to construct small factories, and the terms of lease are being prolonged for those leaseholders who have obtained good results from their enterprises. In obtaining credits private manufacturers will be granted greater facilities than private traders. Joint stock companies with the participation of State capital will be formed for the purpose of supplying private manufacturers with raw material.

Private Ownership of Ships

The State Planning Commission of the Soviet Union decided to attract private initiative to the field of ship construction. The commission elaborated a project concerning the right of owning ships sailing in internal waters, thus changing the former provisions of the decree on the nationalization of ships. According to the new project it will be possible to organize private steamship companies, while up to the present only State and cooperative enterprises were allowed to operate. The number of employees occupied by these private enterprises is not to exceed one hundred.

Cotton Sowings in 1926

According to the final data of the Chief Cotton Committee for 1926 the total area under cotton in the Soviet Union amounts to 1,724,104 acres, or 98.2 per cent of the program of the State Planning Commission. This figure exceeds by 6.8 per cent the corresponding figure of 1925, and constitutes 81 per cent of the pre-war record figure. The area in question is distributed as follows: 1,416,857 acres in Central Asia and 307,247 acres in Transcaucasia.

Jewish Colonization in the Soviet Union

Messrs. Rosen, Kahn and Rosenberg, members of the managing board of the American "Joint Distribution Committee" which is providing help for Jewish farmers in the Soviet Union, visited recently the Jewish agricultural colonies in the regions of Kherson, Krivoi Rog and Crimea. In an interview given to the press they declared that the Jewish back-to-the-land movement in the U. S. S. R. has assumed a mass character. In the course of the last two years 10,000 families have settled on the land, which is more than during the preceding hundred years, reckoning since the establishment of Jewish colonies under Nicholas I. in the first part of the nineteenth century.

The fields of the Jewish agricultural colonies are in excellent condition, surpassing even those of the neighboring German colonists. The assertions that the Jews are not fit for agriculture have not been borne out by the facts.

At the present time the Joint Distribution Committee is giving assistance to Jewish farmers in the Soviet Union by providing them with tractors and by granting them long-term credits without interest, for the purpose of enabling them to purchase seeds, animals and implements. The average amount of the loans granted per family is 500 to 600 gold rubles for a term of five to six years.

Soviet-German Agreement Concerning Inheritances

According to a special agreement arrived at between Germany and the Soviet Union, the right of inheriting any property left in the Soviet Union after the death of a German citizen (except buildings and the right to erect buildings) is to be determined by German laws. Likewise all litigations concerning inheritance rights are to be settled exclusively by German courts.

Last wills and testaments of German citizens are valid in the Soviet Union whether they are drawn up according to Soviet laws or according to those of Germany, irrespective of the fact whether they are made in Germany or before a German Consul in the Soviet Union.

Under the above agreement the Consul is the legal representative of the interests of the heirs and should not be required to submit documents establishing his authority to act in such capacity in any particular case. In case there are claims against the estate which is at the disposal of the Consul, the Court is to get in touch with the Consul through the Provincial Court, and if the Consul does not give up the property or does not consent to its sequestration, the Provincial Court is to bring this fact to the cognizance of the People's Commissariat for Foreign Affairs through the intermediary of the People's Commissariat for Justice.

Final Results of Soviet Elections of 1925-26

The results of the Soviet election campaign of 1925-26 can be seen in comparing the data relative to the participation of the population during the current and the previous years. The table below presents the percentage of the participation of the population in the elections during the last two years:

| | Rural Soviets | | Urban Soviets | |
|-------------|---------------|---------|---------------|---------|
| | 1924-25 | 1925-26 | 1924-25 | 1925-26 |
| Men | 63.5 | 67.5 | 50.1 | 57.9 |
| Women | 19.9 | 28.7 | 27.5 | 38.1 |
| Total | 41.1 | 47.3 | 40.5 | 48.7 |

The figures show that the participation of the population in the elections, and particularly the participation of women was growing continuously. At the present time there are in Soviet Russia proper (R. S. F. S. R.) alone 60,000 peasant women who were elected as delegates to the various Soviets.

The participation of the electorate has also greatly increased in the various autonomous republics and areas, as shown by the following figures referring to the autonomous republics and areas included in the R. S. F. S. R.

Percentage of Participation of Voters

| | 1924-25 | 1925-26 |
|---|---------|---------|
| Tatar Republic | 37.4 | 51.3 |
| Karelian Republic | 20.0 | 50.3 |
| Kazak (formerly "Kirghiz") Republic | — | 48.8 |
| Crimean Republic | 23 | 63.7 |
| Volga-German Republic | 43.0 | 42.9 |
| Kalmuck Autonomous Area | 23.8 | 44.8 |
| Komi (Zyrian) Area | 29.0 | 40.4 |
| Mari Area | 43.4 | 44.4 |
| Chuvash Area | 46.7 | 41.5 |
| Bashkir Area | 37.7 | 52.2 |
| Oirad Area | 34.7 | 54.5 |
| Buriat-Mongol Republic | 21.0 | 38.6 |
| Votjak Area | 52.6 | 46.8 |
| Ingush Area | — | 58.6 |
| North-Ossetian Area | — | 39.5 |

Great numbers of non-partisans were elected not only to local but also to central representative bodies. Thus the percentage of non-partisans in the All-Russian Central Executive Committee and in the Central Executive Committee of the Soviet Union amounts to one quarter of the total number of members. In the urban Soviets the number of non-partisans has reached 50 per cent. The number of non-partisans in Provincial Soviets and Executive Committees is also growing.

Composition of the Political Bureau of the Communist Party of the U. S. S. R.

Late in July the following changes were effected in the composition of the Political Bureau of the Communist Party of the Soviet Union: Mr. Rudzutak, Acting Chairman of the Council of Labor and Defense, Acting Chairman of the Council of People's Commissars and People's Commissar for Transports, became member of the Bureau in the place of Mr. G. Zinoviev, the Bureau consisting at present of the following nine members: Bukharin, Kalinin, Rykov, Molotov, Rudzutak, Stalin, Tomsky, Trotsky, Voroshilov. The number of alternate members of the Political Bureau has been increased to eight, the names of the alternates being as follows: Petrovsky, Uglanov, Ordjonikidze, Andreyev, Kirov, Mikoyan, Kaganovich, Kamenev.

Northern Exploration

Twelve expeditions were organized for northern exploration in the course of 1925.

The eastern part of Novaya Zemlya was explored for the first time. This led to the discovery of three uncharted bays, which have been named after the explorers Sedov, Neupokoyev and Rusanov. Two new astronomical stations were established by the Expedition on the eastern part of the northern island.

Rich deposits of high quality surface coal were discovered in the valley of the river Petchora in the Northern Urals. Indications of the presence of petroleum were also found in that district.

Important investigations were carried out in the waters of Archangel district for the determination of fish currents, which are of tremendous importance to the fishing trade in the North.

An expedition, organized by the Academy of Sciences has completed a thorough investigation of the soil of Yakutia, on the extreme north of the U. S. S. R. The expedition was undertaken for the purpose of establishing the amount of arable land available for colonization by agricultural settlers.

The soil of Yakutia was found to be exceedingly fertile. In some sections along the rivers Amga and Lena large tracts of land were found capable of yielding large crops without the use of fertilizers. There are vast tracts of desolate land which could be easily converted to agricultural purposes. Plans were outlined by the Expedition for the organization of a series of agricultural experiment stations in Yakutia. The data collected by the Expedition are now being studied by the Leningrad Institute of Experimental Agronomy.

Russian Photograph Bureau ("Russfoto")

The "Russfoto" (Russian Photograph Bureau) was organized in Moscow during the month of July, 1924, for the purpose of exporting and importing illustrations for the periodical press and operates in connection with the All-Union Society for Cultural Relations with Foreign Countries.

This organization is the only photo agency in the Soviet Union with foreign connections.

During the period of its existence the "Russfoto" has received about 20,000 photographs from abroad and has itself sent about 14,000 to foreign countries.

The enterprise has connections with the most important photograph agencies in various countries throughout the world, from which it obtains foreign pictures and to which it transmits photographs of life and customs in the Soviet Union. Thus, in the United States it is connected with Wide World Photos ("New York Times"), in England with the Pacific and Atlantic Company, in France with the Charles Rappaport Photo Agency,

and so forth. In Germany the "Russfoto" has its own agency, which also covers Austria and the Balkan countries.

On the other hand, almost all the large illustrated periodicals in the Soviet Union are patrons of the "Russfoto."

The Russian Photograph Bureau has its own photo laboratory in Moscow and a system of photo correspondents in all the important cities of the Soviet Union.

Red Army Figures

The Red Army of the Soviet Union numbered 562,000 men at the beginning of 1926, according to a report of Mr. Voroshilov, Commissar for the Army and Navy. Three years ago the army numbered 800,000 men. Before the war the Tsarist Government maintained an army of 1,400,000, and this was increased to 1,800,000 in the early days of 1914.

Voroshilov reported that 12.4 per cent of the conscripts drawn from the army in 1925 were illiterate as compared with 19.4 per cent in 1924. All illiterate recruits are taught to read and write during their first year of service. Before the war 90 per cent of the soldiers were illiterate.

Moscow Air Flights to Persia and to Turkey

In the course of July Soviet aviators accomplished two remarkable flights to the Near Eastern countries bordering on the Soviet Union. The flight Moscow-Teheran, covering a distance of nearly 2,000 miles, was accomplished in 17 hours, the airplane making about 117 miles per hour. The return flight was effected in one day in spite of the bad weather. Equally successful was the Moscow-Angora flight, quite a dangerous sector of the route having been accomplished across the Black Sea under unfavorable weather conditions.

Telephone Line Tiflis-Teheran

According to recent reports, a plan was worked out for the construction of a telephone line between Tiflis in Transcaucasia, and Teheran, the capital of Persia. This line will be an extension of the Leningrad-Tiflis line. The line will have stations in Karakliss, Erivan, Julfa and Tabris. Its length on Transcaucasian territory will be 490 kilometers, and on Persian territory 690 kilometers.

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Cooperatives in the Soviet Union

COOPERATIVE organizations play a conspicuous part in the life of the population of the Soviet Union. It is for this reason that various forms of cooperatives have grown to large dimensions. The consumers' cooperatives extend over both urban and rural localities. The agricultural cooperatives embrace practically all aspects and processes of agricultural production and exchange. Handicraft cooperatives include practically all kinds of home industries. The housing and building cooperatives, at first active in the large cities, have now penetrated into the small urban settlements and are even spreading in the villages.

The achievements of Soviet cooperatives are reflected by the following figures:

Consumers' Cooperatives

On January 1, 1926, the system of consumers' cooperatives embraced 26,457 cooperative societies with 53,466 stores and 10,163,109 shareholders, i. e., members. At the present time the number of share-holders is not less than eleven millions. The turnover for 1924-25 amounted to 3,900,000,000 rubles (\$2,008,000,000), and in 1925-26 it rose to over 6,000,000,000 rubles (\$3,090,000,000). The turnover for 1925-26, as compared with the turnover for 1924-25, increased by 32 to 36 per cent. The resources of the entire system of consumers' cooperatives, by January 1, 1926, amounted to 343,882,000 rubles (\$177,099,000), out of which 35,000,000 rubles (over \$18,000,000) constituted the share capital. An aggregate of 93,600,000 bushels of grain was purchased from the producers in the course of 1924-25, and during the first half of 1925-26 the amount purchased was 79,200,000 bushels.

This shows that the consumers' cooperatives are the main channel of goods circulation. From year to year their role in the goods circulation as well as their importance in the economic life of the country is increasing.

It cannot be said, of course, that they are without shortcomings. The prices of the commodities are not sufficiently low as yet. It must be pointed out, however, that a year ago the ratio of expenditures to the turnover of the cooperatives amounted to 14 or 15 per cent, while at present it has been reduced to 8 per cent. The addition to the cost price has also been reduced from 19 or 20 per cent to 14 or 15 per cent, and the prices charged in the cooperatives are as a rule 10 to

15 per cent lower than in the private stores. According to a calculation made in Leningrad on May 1, 1926, the price charged in cooperative stores for a set of articles of prime necessity was 24 per cent lower than the price charged in private stores for the same group of articles. In this manner the cooperatives are forcing the private traders to lower their prices.

Agricultural Cooperatives

The system of agricultural cooperatives has been in existence since 1922 and has achieved great success during the short time of its activity. Its turnover has reached 1,200,000,000 rubles (\$618,000,000). In a number of branches of agriculture centralized cooperative systems for production and sale have been established, and are organizing entire branches of agriculture on new principles of large scale production. More than ten cooperative centers of this kind have been formed, such as dairy cooperatives, potato cooperatives, flax cooperatives, tobacco cooperatives, wine growers' cooperatives, grain selling cooperatives, etc. They are all united in national federations of agricultural cooperatives.

At the beginning of 1926 the federal system of agricultural cooperatives counted not less than 31,000 cooperative societies, and not less than 20,000 independent cooperatives which have not joined the large federal organizations; these are chiefly cooperatives for hiring out agricultural implements, societies for the improvement of the soil, collective farms, etc. At the above mentioned period all the agricultural cooperatives embraced in the entire Soviet Union 6,500,000 peasant farms, or 28 per cent of all peasant farms of the country.

The peasants owning one horse and one cow only are the main element constituting the membership of the agricultural cooperatives. The poor and middle peasants form the majority among the members of the cooperatives. In some branches of agriculture the cooperatives are engaged in marketing up to 85 per cent of the peasant produce, but in the entire Soviet Union the cooperatives are handling only 16.5 per cent of the peasant produce. With regard to the sale of the raw material output, as well as in providing the villages with machinery and other necessary articles, the cooperatives are conducting their activities on the basis of agreements with State industries and State trading organizations.

The resources of the agricultural cooperatives are still inadequate. They amount to 110,000,000 rubles (\$56,650,000), the share capital making up 22,000,000 rubles (\$11,330,000). These resources are not sufficient for a turnover amounting to billions of rubles, but the Government is helping out the peasantry by granting loans to the agricultural cooperatives.

About 20,000 enterprises have been organized by the agricultural cooperatives. These enterprises are engaged in working up and in assorting the agricultural products of the peasants.

The building up of collective farms is another aspect of the activities of the agricultural cooperatives. The growth of the collective farms is expressed not only in the increase of the number of collective farms and of peasant farms included in the latter, but also in the strengthening of their importance in the agricultural economy; in the improvement of the mutual relations with the surrounding peasant population, and also in the beginning specialization of the collective farms. The numerical growth of the collective farms is shown by the following figures: According to data of November 1, 1923, there were altogether 12,861 collective farms in Soviet Russia and the Ukraine; in 1924 their number was 17,578, i. e., 4,717 more; in 1925 their number rose to 21,923. These collective farms cover 8,030,000 acres of land which is tilled by a population of 1,085,456. The collective farms are divided into "communes" in which the whole land with the implements, etc., belongs to the collectivity and individual members cannot withdraw their share; "artels" which stand for cooperative land-holding and tilling, the members reserving the right to withdraw and to return to the individual tilling of their share; and tillage societies—collective use of machinery for individually owned lands. In Soviet Russia proper there are 1,935 "communes," 9,647 "artels" and 4,726 tillage societies, as well as 37 societies engaged in special branches of agricultural production. In the Ukraine there are 381 "communes," 4,639 "artels," and 558 tillage societies.

Handicraft Cooperatives

The handicraft cooperatives embrace the small producers of the cities and the villages, the "kustars" (persons engaged in home industries), artisans, etc. It is the aim of these cooperatives to put the production of their members on a cooperative and collective basis.

There are at present 12,000 handicraft artels and societies in the Soviet Union. They embrace about 500,000 "kustars" and artisans. A considerable part of these cooperatives is united in 180 federations which in Soviet Russia proper belong to the two central federations "Vseko-promsoyus" (All-Russian Federation of Handicraft Cooperatives) and "Vsekoles" (All-Russian Federation of Timber Cooperatives). In the

other constituent republics the home-craft cooperatives are also united in federations.

Cooperatives on the Foreign Market

The activities of the central cooperative organizations of the Soviet Union have greatly expanded on the foreign markets in 1925. Out of the total foreign trade turnover of the Soviet Union which for the calendar year 1925 amounted to \$668,979,000, 10.1 per cent fell to the share of the cooperatives.

The activities were conducted by four principal organizations, the Central Union of Consumers Cooperatives called "Centrosoyuz," the Central Union of Agricultural Cooperatives called "Selskosoyuz," the Central Union of Flax Cooperatives called "Lnocentr" and the Union of Ukrainian Cooperatives.

Last year's (1925) cooperative foreign trade turnover was distributed among these four organizations as follows:

Exports and Imports of Cooperative Organizations

| | Exports | Imports | Turnover |
|------------------------------|--------------|--------------|--------------|
| "Centrosoyuz" | \$15,432,458 | \$14,620,075 | \$30,052,538 |
| "Selakosoyuz" | 20,069,151 | 4,603,912 | 24,673,063 |
| Ukrainian Cooperatives | 3,226,228 | 5,541,843 | 8,768,071 |
| "Lnocentr" | 4,035,816 | ..... | 4,035,816 |
| Total..... | \$42,763,653 | \$24,765,830 | \$67,529,483 |

The foreign trade activities of the cooperatives are not restricted to Europe; they have expanded to America and to Asia. At present the above organizations have offices and agencies in the following countries: England, Germany, France, Latvia, Esthonia, United States of America, and China. The German offices of the cooperative organizations are simultaneously serving the Central European and Scandinavian markets, while the French offices cover the Belgian and Italian markets.

The total turnover is distributed as follows among the various branches:

| | Exports Per cent | Imports Per cent | Turnover Per cent |
|----------------|---------------------|---------------------|----------------------|
| London | 59.28 | 28.60 | 48.02 |
| Berlin | 13.53 | 47.47 | 25.98 |
| Paris | 7.44 | 1.87 | 5.40 |
| Riga | 5.24 | 1.99 | 4.04 |
| Reval | 0.84 | ..... | 0.55 |
| Shanghai | 0.20 | 9.66 | 3.67 |
| Harbin | 0.15 | 1.91 | 0.80 |
| New York..... | 13.32 | 8.50 | 11.54 |
| Total..... | 100 | 100 | 100 |

The exports of the cooperatives which amounted to \$42,760,000 are distributed as follows as regards the principal export commodities: butter—29.77 per cent of the total exports; furs—28.38 per cent; fibers (flax, hemp)—17.60 per cent; eggs—14.53 per cent; silk cocoons—1.55 per cent;

caviar and other fish products—1.50 per cent; other items—6.67 per cent. The four principal export items, viz. butter, furs, fibers and eggs make up 90.28 per cent of all exports.

The foreign trade turnover of the Soviet cooperatives greatly increased in 1925 as compared with the preceding year. The turnover of "Centrosoyuz" increased 45.5 per cent (according to data supplied by five branches only); that of "Selskosoyuz" by 175.07 per cent; that of the Ukrainian organizations (London alone)—134.86 per cent, while the turnover of the Central Union of Flax Cooperatives ("Lnocentr") was reduced 30.9 per cent. This reduction is due to the fact that while in 1924 large sales of flax took place in the fall, the sales of 1925 began only at the end of the year and were partly completed in 1926.

The exports of "Centrosoyuz" increased by 7.15 per cent only; its imports increased by 130 per cent; the exports of "Selskosoyuz" increased by 164.2 per cent, while its imports increased 235 per cent. The increase of the exports of "Selskosoyuz" falls mainly to the share of butter exports; the principal item in the increase of its imports was agricultural machines. "Centrosoyuz" made large purchases of dry goods, household articles, haberdashery, trimmings and notions, as well as office supplies.

Foreign Trade of the Soviet Union

ACCORDING to preliminary data of the People's Commissariat for Commerce of the Soviet Union, the total exports (across European and Asiatic frontiers) for the first nine months of the fiscal year 1925-26 amounted to 494,000,000 rubles (\$254,410,000), which is 30.5 per cent more than the exports during the corresponding period of the preceding year. During the nine months referred to (1925-26) the proportionate share of agricultural products in the exports increased to 72.5 per cent, as compared with 67.4 per cent during the same period of the preceding year.

The value of grain products exported during the period was 148,200,000 rubles (\$76,323,000), which is 166.9 per cent above the exports for the corresponding period of the preceding year. The value of the butter exported was 17,600,000 rubles (\$9,064,000), which is 49 per cent more than for the preceding year; eggs—18,900,000 rubles (\$9,733,000), which is 19 per cent more; furs—45,700,000 rubles (\$23,535,000), 2 per cent more, etc. The exports of the following agricultural products were reduced: flax, hemp, bristles and horse-hair.

The export of industrial products was increased this year. Oil products lead with 48,500,000 rubles (\$24,977,000), an increase of 6 per cent; manganese ores—18,400,000 rubles (\$9,626,000),

27 per cent increase, and goods of secondary importance were sold to the amount of 23,000,000 rubles (\$11,845,000), 42 per cent increase. The exports of timber products were reduced from 32,000,000 to 30,000,000 rubles (\$15,450,000).

The imports during the period in question reached 585,000,000 rubles (\$301,270,000), representing an increase of 16.2 per cent as compared with the same period of the preceding year. Imports for industrial purposes constituted 72.2 per cent of the total imports, as against 60.7 per cent in 1924-25. There was a special increase in the imports of agricultural machinery and tractors, of which 40,300,000 rubles (\$20,750,000) worth were imported during the first nine months of 1925-26, as against 20,400,000 rubles (\$10,506,000) for the same period of the preceding year.

The total foreign trade turnover of the Soviet Union for the past nine months reached 1,079,000,000 rubles (\$555,685,000), showing an increase of 22.4 per cent over the same period of the preceding year. The adverse balance which for the first nine months of the preceding year amounted to 124,700,000 rubles (\$64,220,000), was reduced this year to 91,000,000 rubles (\$46,865,000).

Soviet Foreign Trade According to Countries

The distribution of exports and imports of the Soviet Union across the European frontier during the first eight months of the fiscal year 1925-26, i. e., from October 1, 1925, to June 1, 1926, according to the various countries, is shown in the table below which gives also the corresponding figures for the same period of the preceding fiscal year:

Soviet Exports and Imports in Millions of Rubles According to Present Prices

| | October-May 1925-26 | | October-May 1924-25 | |
|--------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Exports from U.S.S.R. | Imports to U.S.S.R. | Exports from U.S.S.R. | Imports to U.S.S.R. |
| Australia | | 13.0 | 0.0 | 22.0 |
| England | 112.8 | 88.1 | 97.6 | 73.8 |
| Belgium | 13.3 | 1.9 | 15.8 | 2.7 |
| Germany | 70.4 | 130.1 | 48.1 | 58.8 |
| Holland | 11.6 | 5.4 | 12.6 | 20.9 |
| Denmark | 6.1 | 1.4 | 7.7 | 0.9 |
| Egypt | 1.3 | 19.4 | 3.1 | 13.5 |
| Italy | 23.7 | 20.6 | 6.0 | 2.4 |
| Latvia | 49.7 | 3.8 | 50.8 | 1.9 |
| Poland | 2.5 | 6.0 | 2.9 | 5.1 |
| United States..... | 18.7 | 71.1 | 14.2 | 105.1 |
| Finland | 3.0 | 11.5 | 0.7 | 11.4 |
| France | 28.9 | 14.9 | 10.3 | 5.4 |
| Czecho-Slovakia .. | 0.4 | 16.7 | 0.4 | 12.9 |
| Sweden | 1.5 | 15.0 | 0.6 | 10.3 |
| Esthonia | 16.4 | 4.4 | 13.3 | 2.6 |
| Other countries .. | 35.1 | 58.0 | 15.2 | 34.0 |
| Total..... | 395.4 | 481.3 | 299.3 | 383.7 |

It is to be noted that large quantities of Soviet export shipments were sent abroad through

Latvia and Esthonia, the countries of destination in most of the cases remaining unknown to the Soviet forwarders. These shipments were listed as forwarded to the above mentioned Baltic border countries. For this reason Soviet exports to some of the countries listed in the above table may be assumed to have been actually larger than indicated.

Soviet Foreign Trade for July

Foreign trade of the Soviet Union for July showed a falling off of \$3,244,500 as compared with June, largely due to unfavorable conditions for the purchase of grain for export. Exports for the month were valued at \$23,690,000 and imports at \$25,492,500, giving an unfavorable balance of \$1,802,500. The figures are for the European frontiers only. In July, 1925, exports were \$18,612,600 and imports \$34,336,100, giving an unfavorable balance of \$15,723,500.

Soviet Foreign Trade for the First Ten Months of 1925-26

The foreign trade turnover of the Soviet Union for the first ten months of the fiscal year 1925-26 (beginning October 1, 1925) across the European frontier amounted to 1,053,600,000 rubles (\$542,604,000), as against 880,300,000 rubles (\$453,354,000) for the same period of the preceding year, representing an increase of 25.6 per cent.

The adverse trade balance for these ten months amounted to 87,600,000 gold rubles (\$45,114,000), as against 141,400,000 rubles (\$72,821,000) for the corresponding period of 1924-25.

Exports of Oil Products

In the course of the first three quarters of the fiscal year 1925-26 (beginning October 1, 1925) 987,365 metric tons of oil products were exported from the Soviet Union. This is an increase of 4.7 per cent as compared with the corresponding period of the preceding year.

According to the various groups of oil products, the exports were distributed as follows:

| | 9 Months 1925-26 Metric tons | 9 Months 1924-25 Metric tons |
|-----------------------------|------------------------------------|------------------------------------|
| Kerosene | 163,463 | 275,916 |
| Gasoline and ligroin..... | 278,638 | 210,568 |
| Lubricating oils..... | 101,936 | 87,425 |
| Heavy solar oil..... | 27,793 | 57,062 |
| Fuel oil (Mazut)..... | 290,143 | 251,129 |
| Gas oil and motor fuel..... | 56,939 | 20,529 |
| Crude oil..... | 68,408 | 40,513 |
| Total..... | 987,365 | 943,142 |

The composition of the exports underwent some changes as compared with the preceding year. Thus, kerosene which during the first nine months of 1924-25 constituted 29.2 per cent of the total exports, dropped to 16.6 per cent. On the other

hand gasoline increased from 22.3 per cent to 28.2 per cent. The percentage ratio of lubricating oils increased from 9.3 to 10.3 per cent. Heavy solar oil was reduced considerably from 6 per cent to 2.8 per cent. Mazut increased somewhat—from 26.7 to 29.4 per cent. Gas oil and crude oil increased from 2.2 to 5.7 per cent and from 4.3 to 7.0 per cent, respectively.

The distribution of oil exports among the various countries, during the period accounted for, is shown in the table below:

| Country | Metric tons | Percentage of Total |
|------------------------------|-------------|------------------------|
| Italy | 280,692 | 28.4 |
| England and Colonies..... | 272,615 | 27.6 |
| France | 152,592 | 15.4 |
| Germany | 149,105 | 15.1 |
| Belgium and Holland..... | 48,142 | 4.9 |
| Turkey | 24,614 | 2.7 |
| Baltic countries and Finland | 23,256 | 2.3 |
| Spain and Portugal..... | 12,053 | 1.2 |
| Hungary | 5,032 | 0.5 |
| Greece | 2,712 | 0.3 |
| Denmark | 2,163 | 0.2 |
| Sold to steamers..... | 14,389 | 1.4 |
| Total..... | 987,365 | 100 |

Thus, four of the main oil importing countries took 86.5 per cent of all the oil exports.

Imports of German Machinery

Under the new German trade credit plan industrial institutions of the Soviet Union are placing large orders for machinery with German firms.

The Southern Ore Trust of the Soviet Union has voted to purchase full equipment for a large electrostation in Germany. The Trust is arranging with a German firm for the construction in the Ukraine of several plants for the dressing of manganese ore.

The Soviet Paper Syndicate has ordered from a German firm a paper making plant capable of producing 25,000 tons of paper per annum, and three wood-pulp plants. These will be installed in Soviet Karelia. The paper mill will be fully mechanized and electrified.

Four Years of Grain Exports

THE grain exports of the Soviet Union in the course of the last four years, from 1922 to 1926, are represented by the following figures:

Exports of Principal Grain Crops in Millions of Bushels

| | 1922-23 | 1923-24 | 1924-25 | 1925-26 | Total | Average Annual Export |
|--------------|---------|---------|---------|---------|-------|-----------------------------|
| Rye | 16.8 | 53.1 | 3.6 | 7.0 | 79.5 | 19.8 |
| Wheat | .6 | 31.3 | 0.3 | 27.0 | 49.2 | 12.3 |
| Barley | 3.3 | 14.0 | 3.3 | 36.7 | 57.1 | 14.3 |
| Oats | 1.7 | 9.6 | .1 | 1.3 | 12.7 | 3.1 |
| Total..... | 22.3 | 98.0 | 6.3 | 72.0 | 198.5 | 49.4 |

*Exports of Secondary Crops in Millions
of Bushels*

| | 1922-23 | 1923-24 | 1924-25 | 1925-26 | Total | Average Annual Export |
|--|---------|---------|---------|---------|-------|-----------------------------|
| Corn | 0.8 | 5.8 | 6.8 | 7.8 | 20.2 | 5 |
| Beans and Peas.. | 0.8 | 8.0 | 1.6 | 1.7 | 7.1 | 1.8 |
| Buckwheat, Millet, and similar crops | .97 | 2.5 | 0.6 | 1.4 | 5.4 | 1.3 |
| Other Crops..... | .65 | 2.2 | 0.7 | 1.8 | 4.8 | 1.3 |
| Total..... | 2.7 | 18.0 | 9.7 | 12.3 | 37.5 | 9.8 |
| Total Grain Crops | 25.0 | 111.0 | 15.9 | 84.3 | 236.0 | 58.7 |

*Exports of Oil Cake and Oil Seeds in Thousands
of Metric Tons*

| | 1922-23 | 1923-24 | 1924-25 | 1925-26 | Total | Average Annual Export |
|----------------|---------|---------|---------|---------|-------|-----------------------------|
| Oil Cake..... | 106 | 226 | 321 | 367 | 1,020 | 255 |
| Oil Seeds..... | 1.6 | 57 | 170 | 169 | 398 | 99 |

In the course of four years the Soviet Union exported 236 million bushels of grain products and 1,418,000 metric tons of oil cake and oil seeds, the percentage of the principal grain crops being 67.1 per cent, of crops of secondary importance 13 per cent, of oil cake 14.3 per cent and of oil seeds 5.6 per cent.

The first two grain exporting campaigns, 1922-23 and 1923-24, may be called "rye campaigns," as in 1922-23 rye constituted 60 per cent of all grain exports. In 1923-24 large quantities of rye, constituting 45.4 per cent of all grain exports, were shipped abroad. In 1924-25—when, due to the bad grain harvest of 1924 the exports of wheat, rye and barley were greatly reduced—large quantities of corn, oil cake and oil seeds were exported. During the year in question the exports of corn and of vegetable oil products constituted 75.5 per cent of the entire annual grain exports. The character of the export campaign of 1925-26 came close to the pre-war exports when the prevailing place in grain exports was occupied by wheat and barley. In 1925-26, 63,700,000 bushels of wheat and barley, or 59.9 per cent of the entire annual grain exports, were shipped abroad.

During the four years in question the average annual export of rye reached 19,800,000 bushels and this amount may be considered as a gauge. Wheat and barley remain the basis of the Soviet grain export trade, and the exports of these crops will doubtless grow in the course of the coming years.

As a result of the war, Soviet grain exports have dropped on an average to between 15 and 20 per cent of the pre-war exports. The average sale of the various products shows, however, a more considerable growth. Thus the export of oil cake has reached 55 per cent of the pre-war figure, and during certain years the exports of some crops were as high as 100 per cent or even above

the pre-war figure, such as for instance the export of rye in 1923-24.

In 1922-23 the exports of grain products were carried on through six ports only, as at that time the crop of a few regions only was purchased for export purposes. At present nineteen ports of the Soviet Union take part in the grain exports, and if less important operations of other ports are considered, that number may be increased to 22. The average annual export (including oil-cake and oil seeds) from these nineteen ports amounted to 1,580,000 metric tons of grain products for the last four years. The remaining 208,000 metric tons were shipped by rail across the frontiers of Latvia, Esthonia and Finland. In the course of these four years 6,330,000 metric tons of grain or 88.6 per cent of grain products were shipped from the Soviet Union by sea, and 832,000 metric tons, or 11.4 per cent, by rail.

According to the various port groups, the average annual exports were distributed as follows: 13.9 per cent through the northern ports, 36.6 per cent through the Caucasian ports, 13.5 per cent through the Azov Sea ports, 28.5 per cent through the Ukrainian ports, and 7.5 through the Crimean ports.

Industrial Progress

THE feature of industrial production in the U. S. S. R. for July was a new high record of 758,000 metric tons in the oil industry, as compared with 738,000 tons in June and 606,000 tons for July, 1925. The coal output in July was 2,032,000 metric tons, as compared with 1,992,000 tons in June.

In the metal industry production in various categories showed decreases of from 2 to 6½ per cent as compared with June. The textile industry showed decreases of from 23 to 30 per cent. This is a seasonal reduction, as many of the textile workers leave the textile mills for the farms in July. The output in the paper and glass industries fell off by 8.7 and 2.1 per cent, respectively, and that of the tobacco industry advanced by 129.2 per cent; match industry 7.2 per cent; cement 7 per cent; rubber 15.5 per cent; basic chemicals 7 per cent.

Metal Output for Ten Months of 1925-26

During the first ten months of the fiscal year 1925-26 (beginning October 1, 1925) the Soviet blast furnaces turned out 1,787,700 metric tons of cast iron, which is 38 per cent more than the cast iron output of the entire preceding year, amounting to 1,291,000 metric tons. The steel output during the ten months in question (1925-26) was 2,350,000 metric tons, as against 1,868,-

000 metric tons during the entire fiscal year 1924-25, an increase of 25 per cent over the entire preceding year. The output of rolled iron for the first ten months of 1925-26 was 1,857,000 metric tons, an increase of 34 per cent over the output of the entire fiscal year 1924-25.

The Sugar Industry in the Soviet Union

The situation of the Soviet sugar industry, as represented by the Sugar Trust, is shown in the following table:

| | 1924-25 | 1925-26 |
|---|-----------|-----------|
| Number of plants in operation..... | 108 | 128 |
| Quantity of beets worked up (in metric tons)..... | 2,917,849 | 7,351,249 |
| Output of white sugar (metric tons) | 407,865 | 960,526 |
| Average capacity at which plants were working per year (in tons of beets worked)..... | 27,017 | 57,431 |

Thus the number of plants in operation increased by 20 units or by 18.5 per cent, while the output of the individual plants was more than doubled in comparison with 1924-25. Productivity of labor increased by 15 per cent and the expenditure of fuel was reduced by 9.5 per cent, as compared with the preceding year. As compared with the pre-war period, the degree of utilization of the capacity of the plants increased by 12.9 per cent. As compared with 1924-25, the cost price of one pood (36 lbs.) of white sugar was reduced from 3.89 rubles to 3.10 rubles, i. e., 20.3 per cent.

Vegetable Oil Industry in U. S. S. R.

Oil seed crops occupy a considerable place in Soviet agriculture. The chief oil seed crops raised on a large scale are flax, hemp and sunflower. Among all the industrial crops the oil seeds have not only resumed their pre-war importance in Soviet agriculture, but have even exceeded it. On the entire territory of the Soviet Union the area under flax, hemp and sunflower reached 12,393,000 acres in 1925 (5 per cent of the entire sown area)—which is 78 per cent above the pre-war area (average of 1909-1913).

All stages of development of the vegetable oil industry can be found on the territory of the Soviet Union. Side by side with the most primitive hand-presses or presses for which horse traction power is used, which handle 700 to 1,000 pounds of seeds daily, there are in existence large oil pressing establishments erected in accordance with the latest technical improvements and provided with powerful motors, which are able to handle 25 to 32 tons of seeds daily.

The larger part of the seed crop of the U. S. S. R. is being worked at present by home presses and small enterprises. This is shown by the following figures presenting the relative shares of

the seed crop pressed by the small and by the large enterprises. In 1924 the proportion of seeds pressed by home presses and small enterprises was 64 per cent of the total, while 36 per cent fell to the share of large State and cooperative enterprises. In 1925 the corresponding figures were 55 per cent for the home presses and small enterprises and 45 per cent for the large State and cooperative enterprises.

The large oil pressing industry is concentrated in the hands of the Supreme Council of National Economy which controls 174 oil pressing establishments with a producing capacity of 1,230,000 metric tons. In 1924-25, 123 plants were in operation, and the quantity of sunflower, flax, hemp and other seeds worked in them was about 600,000 metric tons. The production program for the fiscal year 1925-26 (beginning October 1, 1925) is 950,000 metric tons.

Peat Output in the Soviet Union

According to recent estimates, the Soviet Union contains over 78.8 per cent of the peat deposits of the world. The total area of peat marshes in the U. S. S. R. is estimated at 70,395,000 acres. Not less than 19 billion tons of peat for fuel could be extracted from that area. These peat reserves are, however, exploited to a very insignificant extent only.

In 1925 peat constituted only 5 per cent of the fuel appearing on the market. During that year about 225,000 farms in Soviet Russia proper were engaged in extracting peat, the output being 4,000,000 cubic meters of raw peat. Cooperatives engaged in extracting peat have a membership of about 80,000.

The output of dry peat in 1925 was 3,320,000 metric tons; the output of 1926 is estimated at 4,000,000 metric tons, and that of 1927 is expected to increase to 5,370,000 metric tons.

P A M P H L E T S

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1. Russia's Foreign Trade during the Calendar Year 1923.—15c.
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Soviet Federal Budget for 1926-27

THE preliminary budget estimate for the fiscal year 1926-27 provides for an aggregate amount of 4,586,100,000 rubles (\$2,361,841,500) which exceeds the budget for 1925-26 by 13.5 per cent.

Revenues derived from taxation will increase from 1,880,900,000 rubles in 1925-26 to 2,075,000,000 rubles in 1926-27, i. e., by 10.4 per cent, while revenues derived from State enterprises and other sources will increase from 1,988,400,000 rubles to 2,386,100,000 rubles, i. e., by 20 per cent.

Direct taxes will increase from 583,400,000 rubles in 1925-26 to 683,000,000 rubles in 1926-27, i. e., by 17.1 per cent; indirect taxes from 1,127,100,000 rubles in 1925-26 to 1,200,000,000 rubles, i. e., by 6.5 per cent, while revenues from various duties will increase from 170,300,000 rubles to 192,000,000 rubles, i. e., by 12.8 per cent.

Among the revenues not derived from taxes, the first place is occupied by the transport system, the revenues from which will increase from 1,345,000,000 in 1925-26 to 1,650,000,000 rubles in 1926-27, i. e., by 22.7 per cent; next come the revenues from State properties and enterprises which are to increase from 413,500,000 rubles in 1925-26 to 507,200,000 rubles in 1926-27. In this group the revenues from industry will increase by 42.5 per cent—from 119,300,000 rubles in 1925-26 to 170,000,000 rubles, and the revenues from the mines will grow from 23,200,000 rubles in 1925-26 to 41,500,000 rubles. The revenues from the postal and telegraph system will increase from 153,700,000 rubles in 1925-26 to 170,000,000 rubles, i. e., by 10.6 per cent.

Revenues from loans show quite an insignificant increase; they will increase from 120,000,000 rubles in 1925-26 to 125,000,000 rubles, i. e., by 4.2 per cent.

The aggregate expenditures of all Federal Commissariats—Foreign Affairs, Army and Navy, Commerce, Transport, Posts and Telegraphs—will increase from 2,169,700,000 rubles in 1925-26 to 2,525,000,000 rubles in 1926-27, i. e., by 16 per cent. The main part of this expenditure falls to the share of the transport system whose expenditures will increase from 1,329,000,000 rubles in 1925-26 to 1,650,000,000 rubles in 1926-27, i. e., by 24.2 per cent. The expenditures for the Army and Navy will increase from 608,600,000 in 1925-26 to 638,000,000 in 1926-27; they will constitute 14 per cent of the new budget, as compared with 15.5 per cent of the previous budget.

The expenditures of the Joint (Mixed) Commissariats of the Soviet Union and of the Constituent Republics, such as the Supreme Council of National Economy, the Commissariats for Food,

Labor, Finance, Workers' and Peasants' Inspection, will increase from 155,200,000 rubles in 1925-26 to 163,000,000 rubles in 1926-27, i. e., by 5 per cent only. The expenditures of the separate Commissariats of the various Constituent Republics, such as Agriculture, Internal Affairs, Justice, Education, Social Welfare, Health, will increase from 373,000,000 rubles in 1925-26 to 440,000,000 rubles in 1926-27, i. e., by 18 per cent.

This considerable increase of the expenditures in the separate Commissariats (departments) of the various Constituent Republics is explained by the fact that these departments include the People's Commissariats for Education, for Health, for Social Welfare, as well as Agriculture, which will absorb practically the entire increase in the expenditures of these Commissariats.

There is also noticeable a considerable increase in the subventions to the local budgets. In the course of 1925-26, 249,500,000 rubles were appropriated for this purpose, while during the coming fiscal year (1926-27) 404,100,000 rubles will be appropriated for this purpose, an increase of 62 per cent.

The subsidy fund will be reduced from 85,300,000 rubles in 1925-26 to 20,000,000 rubles in 1926-27, i. e., by 76.5 per cent, while the reserve fund will be reduced from 161,000,000 rubles in 1925-26 to 111,000,000 rubles in 1926-27, i. e., approximately by 31 per cent, and a special State reserve fund for the coming year was calculated at 87,500,000 rubles as against 117,800,000 rubles of 1925-26.

Last year (1925-26) 544,600,000 rubles were appropriated for the financing of the national economy; for the coming year the amount of 675,500,000 rubles was appropriated; the expenditures for the industries which are included in this amount will increase from 161,500,000 rubles in 1925-26 to 300,000,000 rubles in 1926-27, i. e., by 85.5 per cent.

Soviet Credit Operations Since 1922

IN the course of the last four years, between May, 1922, and July 1, 1926, thirteen credit operations were carried out by the Soviet Government. The following is the list of the loans floated: The First and the Second Grain Loans, the Sugar Loan, Transport Certificates, the First and Second Lottery Loans, the Peasant Loan of 1924, the Second Peasant Loan, the 8 per cent Internal Loan, the 5 per cent Short Term Loan, Short Term Treasury Bonds, the Economic Reconstruction Loan and the Second 8 per cent Internal Loan.

The First Grain Loan was issued for 10,000,000 poods of rye (164,000 metric tons), the Second Grain Loan for 100,000,000 poods of rye (1,640,000 metric tons), and the Sugar Loan—for 1,000,-

000 poods of sugar (16,400 metric tons). These loans were completely redeemed in kind, cash and through the acceptance of the bonds as payment for the tax in kind and for the agricultural tax.

The First Lottery Loan of 1922 yielded 99,900,000 gold rubles, its redemption will commence in 1928; the Second Lottery Loan of 1925—71,700,000 gold rubles, the redemption of the loan was started on March 15, 1926; by July 1, 1926, 13,700,000 rubles were repaid. The Peasant Loan of 1924 (the first and the second issue) yielded 90,300,000 gold rubles; the 5 per cent Short Term Loan—10,000,000 gold rubles. The redemption of the above mentioned loans began on April 1, 1926. The Peasant Loan was redeemed to the amount of 82,200,000 rubles, while of the 5 per cent Short Term Loan 8,400,000 rubles have been repaid.

The Second Peasant Loan of 1925 yielded 68,900,000 rubles, of which amount 300,000 rubles have already been redeemed through the acceptance of bonds in payment of the agricultural tax.

Short Term Treasury Bonds yielded 529,000,000 rubles; of this amount 438,600,000 rubles have already been redeemed.

The Economic Reconstruction Loan which was launched in December, 1925, yielded 183,000,000 rubles by July 1, 1926.

The aggregate amount of all the loans subscribed to in the Soviet Union during the above mentioned period represents a nominal value of 1,227,800,000 gold rubles.

The State Debt of the Soviet Union

According to preliminary data the internal State debt of the Soviet Union, as of August 1, amounted to 625,454,000 rubles. This debt was divided into the following categories:

| | |
|-------------------------------------|-------------|
| First Lottery Loan..... | 99,884,000 |
| Second Lottery Loan..... | 54,044,000 |
| 8 per cent Internal Loan, 1924..... | 80,250,000 |
| Peasant Loan of 1924..... | 9,236,000 |
| 5 per cent Short Term Loan..... | 1,328,000 |
| Second Peasant Loan..... | 68,656,000 |
| Second 8 per cent Loan..... | 5,099,000 |
| Short Term Treasury Bonds..... | 93,347,000 |
| Economic Reconstruction Loan..... | 213,610,000 |
| Total..... | 625,454,000 |

In the course of July the State debt increased 6.2 per cent. The amount of the debt as of July 1, 1926, was 589,638,000 rubles.

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

PRICE, 25 CENTS

The Far Eastern Region

THE territory of the Far Eastern Region covers over one million square miles; the length of its border is 14,190 miles, the area of the region constituting one-eighth of the territory of the entire Soviet Union. The population is 1,672,000.

The resources of the region, according to very conservative estimates, can be expressed by the following figures: Gold—8,000 metric tons; coal—3,000,000,000 tons; iron—9,000,000 tons of ore; silver—11,000 tons; zinc—240,000 tons; lead—2,000,000 tons; tungsten—2,300 tons; timber—221,000,000 acres. In addition to this the country contains large supplies of oil which are now being investigated and very rich supplies of fish of the best quality.

In spite of its great wealth the Far East Region has not been explored to any considerable extent. Before the establishment of Soviet rule about 10,000 rubles were spent annually for the exploration of the region. At present about 300,000 gold rubles are being spent yearly for investigating and exploring purposes. Over 400,000 gold rubles are being expended annually for the improvement and regrouping of arable land, and the personnel occupied with this activity is three times larger than during the previous years. Large experiment stations, as well as a number of experimental fields were organized for the purpose of studying agricultural conditions and possibilities. The agronomical and veterinary personnel increased from 170 to 300. A very large scientific technical station was opened for the purpose of studying the fish resources of the sea and for exploiting them more regularly.

Seed grain loans amounting to over 16,400 tons were granted to the agricultural population, and agricultural machinery for over 2,000,000 gold rubles was advanced on credit. In addition to this, agricultural loans amounting to 3,500,000 gold rubles were advanced. The means allotted for the advancement of agriculture exceed by 50 per cent the sums allotted by the Tsarist government for the same purposes, not counting the expenses for the settlement of Russian farmers in the Far Eastern Region. The sown area is approaching that of 1917. Live stock breeding has reached the record figure of 1917.

The economic recovery of the Far Eastern Region is reflected by the following table presenting the percentage relation of the last three fiscal years to 1913, the calculations being made on the basis of pre-war rubles:

| | 1923-24 | 1924-25 | 1925-26 |
|----------------------------|---------|---------|---------|
| Industry | 80.3 | 83.8 | 95.2 |
| Goods available | 36.1 | 39.3 | 50.3 |
| Money in circulation | 25.1 | 27.8 | 34.9 |
| Budget | 12.4 | 14.9 | 20.2 |

This table shows a continuous economic recovery of the region; industry has practically reached the pre-war standard.

Under the Tsarist regime the large scale industry of the Far East was serving exclusively the needs of the army. After the Revolution the Far Eastern industry was deprived of the basis on which it worked. Under the new conditions of Soviet reconstruction, it had to be reorganized and was to find new bases for its existence. It began to work for export.

The pace at which the State industry was increasing in the course of the last three years is shown by the following figures (at pre-war prices):

| | <i>Rubles at pre-war prices</i> | <i>Percent- age</i> |
|---------------|---|-------------------------|
| 1923-24 | 14,248,000 | 100 |
| 1924-25 | 19,112,000 | 130 |
| 1925-26 | 27,925,000 | 196 |

Thus the industrial output of the Far Eastern Region has practically doubled. The domestic goods turnover in 1925 reached the amount of 173,000,000 gold rubles. This turnover is almost equally distributed between State, cooperative and private trade, 36 per cent falling to the share of State trade, 34 per cent to the cooperatives and 32 per cent to private trade. Railroad construction is making great progress. The amount of 2,000,000 gold rubles was appropriated for this purpose for 1926, 600,000 rubles to be spent on the building of a branch line to the Aldan gold mining region. The freight traffic of the Ussuri railway has exceeded the pre-war level. The freight turnover of the Vladivostok port is also increasing.

Foreign Trade of the Far Eastern Region

The foreign trade of the Far Eastern Region for the last three years may be expressed by the following figures, according to pre-war prices:

| | <i>Export Rubles</i> | <i>Import Rubles</i> | <i>Turnover Rubles</i> |
|------------|--------------------------|--------------------------|----------------------------|
| 1913 | 11,445,000 | 35,000,000 | 46,445,000 |
| 1923 | 7,012,000 | 6,354,000 | 13,366,000 |
| 1924 | 13,750,000 | 5,447,000 | 19,197,000 |
| 1925 | 14,525,000 | 7,563,000 | 22,088,000 |

In the course of the three years exports were increased and imports reduced. The exports have greatly surpassed the 1913 figures. The trade balance of the Far Eastern Region is favorable now, while before the Revolution it was unfavorable.

The character of the import goods has changed completely. Instead of silk articles, and other articles of luxury, the Far Eastern Region imports at present industrial raw materials, machinery and equipment, chemical products, medicaments, sugar and tea.

The exports of the Far Eastern Region consist mainly of timber which constitutes 65 per cent of all exports, fish—13 per cent, furs—10 per cent, coal—10 per cent, and sundry 2 per cent. Of late efforts are being made for the promotion of exports of articles of secondary importance, such as sea kale, crabs, cedar nuts, etc.

The Far Eastern Region exports its products to the following countries: Japan—59 per cent of all exports; China—31 per cent; United States—8 per cent; England—1 per cent; other countries 1 per cent. As regards its import trade, 66 per cent of all imports are of Chinese origin; 14 per cent are ordered from the United States; 12 per cent from Japan; 6 per cent from Germany; 1 per cent from England, and 1 per cent from other countries.

In January, 1923, private capital was handling 87 per cent of the exports and 88 per cent of the imports. The remaining 12 and 13 per cent were handled by State trading agencies and cooperatives. Since that time the situation has changed considerably, as shown by the table below:

| | <i>Percentage of imports</i> | | <i>Percentage of exports</i> | |
|---------------------|----------------------------------|----------------|----------------------------------|----------------|
| | <i>1923-24</i> | <i>1924-25</i> | <i>1923-24</i> | <i>1924-25</i> |
| State agencies..... | 67.78 | 97.25 | 54.84 | 81.85 |
| Cooperatives | 19.83 | 2.60 | 19.43 | 5.08 |
| Private traders... | 12.39 | 0.15 | 25.73 | 13.07 |
| | 100 | 100 | 100 | 100 |

The customs apparatus is also increasing.

The export-import plan for 1925-26 anticipated a total turnover of 44,000,000 gold rubles at present prices which is 67 per cent as compared with the turnover of 1913. Out of this amount 22,500,000 rubles are to be for exports and 21,500,000 for imports.

Development of Soviet Postal System

ONE of the chief tasks facing the People's Commissariat for Posts and Telegraphs in 1924-25 was the strengthening of the postal system in the rural districts. The results obtained are quite remarkable. Before the war, in 1913, only 3 per cent of all the inhabited localities of the Russian Empire were served by the postal system. In November, 1923, the condition of the rural postal system did not differ considerably from that of the pre-war period, and served 2.8 per cent of the inhabited localities of the U. S. S. R. The task which the People's Commissariat for Posts and Telegraphs undertook was to extend the service to 15 per cent of all the inhabited localities by October, 1925. At the indicated term, however, the original plan was exceeded by almost 100 per cent, and on October, 1925, 27 per cent of all the inhabited localities of the Soviet Union were served by the postal system.

For the purpose of bringing the postal system closer to the population new types of postal enterprises were launched, such as ambulant postal offices and rural letter carriers, both pedestrian and mounted. The number of regular post office branches was reduced, and more simplified establishments, called postal agencies, were organized in their place. At present there are 12,500 rural letter carriers. By October 1, 1926, 52 per cent of all the inhabited places were to be served by the postal system, and on April 1, 1926, the program was already carried out. Out of the 360,000 inhabited places of the Soviet Union (according to the data of the Central Statistical Administration) 200,000 places were served by the postal system on that date. This embraces practically 80 per cent of the entire population. The number of letters sent by the rural regions grows more rapidly than the number of those sent by the cities. Thus, in 1924 the rural regions supplied 18 per cent of the total number of letters mailed in the U. S. S. R.; by the end of 1925 they reached 25 per cent, and rose to 30 per cent in the second quarter of the fiscal year 1925-26.

The rapidity of the postal service has greatly increased, particularly in connection with the development of the air service. While before the war air-mail was non-existent, the air mail service extends at present over a distance of 3,900 miles, the corresponding figure in 1924-25 being 2,800 miles.

Great progress was achieved in the field of telegraph, telephone and radio communication. The average rapidity for transmitting telegrams was 2 hours and 27 minutes in 1923; in 1924 it was 1 hour and 45 minutes and in 1925, 1 hour and 27 minutes. At present the average rapidity for transmitting a telegram (not including delivery) is 1 hour, 7 minutes.

By April 1, 1926, the number of telephone apparatus in the entire country amounted to 171,000—a very insignificant figure. It is expected that in the course of three years all districts of the country will have telephone connection.

The total number of employees of the postal and telegraph system is 89,000 as against 69,000 in 1913. The revenue from all branches of the system was 89,000,000 rubles in 1913; the corresponding revenue expected for 1925-26 is 153,000,000 rubles.

Activities of the Russian Red Cross

THE Red Cross Society of the R. S. F. S. R. (Soviet Russia proper) is a public organization aiming at stimulating mutual aid among the working population in matters pertaining to the preservation of health, both in peace time and in war.

The Society originated in 1918. The first period of its activities was devoted to assisting the Red Army. Work in this direction was conducted by 428 institutions of the Red Cross Society, such as military hospitals, sanitary trains, etc.

Branches of the Society were organized in Denmark, Holland, Switzerland, Germany, Austria and other countries, to attend to the prisoners of war.

In 1921 the Red Cross Society was active in the Volga famine region where it gave medical aid and food to 130,000 persons.

In 1922-23 the Society concentrated its activities upon rendering help to the destitute victims of the famine, giving on an average assistance to 37,000 children daily.

In 1924-25, at the time when the economic life of the nation was recovering, the Red Cross Society directed its activities to those fields in which, due to the insufficiency of State resources, additional assistance on the part of public organizations is necessary.

During the crop failure of 1924-25 the Red Cross Society was developing its activities in two directions; assisting the medical units that were already active in the afflicted villages, and organizing a system of sanitary sections of the Red Cross Society for the purpose of fighting epidemics.

In the course of 1925 the Red Cross was taking charge of the following institutions: in the Volga Region—246 medical stations and 169 dispensaries, in the Kabardian-Balkar Autonomous Area (in the Northern Caucasus)—6 medical stations, in the Ural Province—6 medical stations, and in Daghestan (North-eastern Caucasus)—20 medical stations. In the Central Agricultural Region the Red Cross Society was taking care of 125 hospitals with a total number of 1,488 beds and 112 dispensaries which were ministering to 264,819 persons monthly.

In the struggle against tuberculosis the Red Cross Society devoted its activities particularly to children and young people by organizing and maintaining 15 dispensaries for tuberculosis patients, 8 day sanatoria for children, 4 sanatoria for tubercular children (exclusively for children of factory workers and peasants). All in all 81,892 tuberculosis patients were aided by the Red Cross Society in 1924 and during the first half of 1925.

The Red Cross Society took part in the struggle against venereal diseases by maintaining 32 establishments, viz.: 25 venereal dispensaries, and 7 traveling medical units. In the course of the last 18 months medical aid was given to 203,287 patients suffering with venereal diseases.

The struggle against trachoma is conducted by 9 special establishments of the Red Cross Society, viz.: 3 traveling units, 2 oculist stations and 4 sections attached to general dispensaries. An

aggregate number of 58,902 patients received help in the course of the last 18 months.

The number of visiting patients in the 9 malaria stations during the same period was 184,725.

Particular attention is paid by the Red Cross Society to the national minorities of the North, the Caucasus, Siberia and Kamchatka. In addition to the regular medical assistance given to these nationalities by the Red Cross Society, seven special traveling units, concerned with the fighting of venereal and eye diseases, have been fitted out in the Zyrian (Komi) Area in Northern Russia, as well as in the Turukhan region, in the Tobolsk district, in the Verkholensk and Kirensk districts of the Irkutsk province, in the Narym region and in Kamchatka.

In addition to this mention should be made of the medical tilt-wagons of the Red Cross Society working in the Kirghiz steppes, pharmacies connected with the radio stations in the polar regions (Matochkin Shar), a hospital in the Korean village Taudemi, dispensary-pharmacies in the Chechen, Ingush and Ossetian Areas in the Caucasus, in the Daghestan Republic (Northern Caucasus), and in the Buryat-Mongol Republic (Eastern Siberia).

In the course of 1924-25, the dispensaries of the Red Cross Society had 1,233,386 visiting patients while the days on which hospital beds were occupied by patients aggregated 311,977.

Since the end of 1924 the Red Cross Society has taken over the "Health Service" of the "Young Pioneers" (Soviet Boy and Girl Scouts) and has been conducting it in three directions, including investigations, sanitary propaganda and rendering medical aid. In the course of the first year of its activities the "Health Service" has accomplished the following work: The medico-prophylactic offices (12) examined 14,044 "pioneers," medical assistance was given in 2,214 cases, 1,700 lectures on hygiene and sanitation were arranged, 1,156 medical chests were supplied to the various sections, and great amounts of health literature were distributed.

For its activities in 1925-26 the Red Cross Society had at its disposal 154 medical establishments, out of which 43 per cent are fighting tuberculosis and venereal diseases, 10 per cent malaria, 7 per cent eye diseases, 11 per cent are concerned with the protection of mothers and infants, and 29 per cent with general diseases, the latter almost exclusively in the backward corners of the country. In addition to this, the "Health Service" of the "Pioneers" has at its disposal 51 medical units.

The villages absorb 56 per cent of the activities of the Red Cross Society with 44 per cent devoted to the cities, seventy per cent of the total falling to the share of the territories of the national minorities.

Foreign Relations of the Soviet Union

THE Manchurian authorities recently attempted to change the present status of the Chinese Eastern Railway by depriving it of some of its property without the consent of the Soviet Government. In this connection Mr. George Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, addressed, on August 31, 1926, the following note to Mr. Chen-Yen-Shi, Charge d'Affaires of the Chinese Republic in Moscow:

"We were informed by the proper authorities of the Soviet Government on the Chinese Eastern Railway that Marshal Chang Tso-lin submitted requests to the administration of the Chinese Eastern Railway which fundamentally violate the respective stipulations of the Treaty concluded on May 31, 1924, between the U. S. S. R. and China, which was subsequently supplemented by the agreement of September 20, 1924, between the U. S. S. R. and the autonomous Government of the three eastern provinces of China. The first request amounts to a demand for a one-sided seizure of all ships belonging to the Chinese Eastern Railway, and the second calls for the liquidation of the educational department of the Chinese Eastern Railway and the transfer of all schools of the Chinese Eastern Railway to the Department of Public Education attached to the Chief Administration of the special territory of the three eastern provinces of China.

"The Government of the Soviet Union has repeatedly endeavored to adjust the mutual relations on the Chinese Eastern Railway both with the Chinese Government and with the autonomous Government of the three eastern provinces in a spirit of friendly discussion of all disputed questions, but for reasons not dependent upon the Government of the Soviet Union, nothing came of all these endeavors.

"The Government of the Soviet Union is still willing to consider all the questions at issue, resulting from the above mentioned Treaties between the Soviet Union and China, but the Government of the Soviet Union protests categorically against one-sided actions on the part of China, which are in violation of the Soviet Union's essential rights, secured by Treaty, in Northern Manchuria.

"The Soviet Government declares that it cannot acquiesce in activities of the autonomous Government of the three eastern provinces which violate existing Treaties and deprive the U. S. S. R. of its rights to the Chinese Eastern Railway which were secured by Treaty.

"The Government of the Soviet Union expects the immediate withdrawal of the above requests addressed to the managing board of the Chinese

Eastern Railway and demands that these questions be submitted for consideration to the regular diplomatic organs of both governments concerned.

"I beg you, Mr. Charge d'Affaires, to bring the above immediately to the cognizance of your Government as well as of Marshal Chang Tso-lin.

GEORGE TCHITCHERIN.

August 31, 1926.

Neutrality and Mutual Non-Aggression Agreement With Afghanistan

On August 31, 1926, Mr. Stark, diplomatic representative of the Soviet Union in Afghanistan, and the Afghan Minister of Foreign Affairs signed a neutrality and mutual non-aggression agreement between the Soviet Union and Afghanistan. This is the third agreement of this kind entered into by the Soviet Government with other countries, the first agreement having been concluded with Turkey on December 17, 1925, and the second with Germany on April 24, 1926.

Recognition of the Soviet Government by Uruguay

On August 24, 1926, the Moscow "Izvestia" published the following telegrams:

Telegram of Mr. Alvaro Saralegui, Minister of Foreign Affairs of Uruguay to the People's Commissariat for Foreign Affairs of the Soviet Union: "Moscow, People's Commissariat for Foreign Affairs.

"As a result of steps taken before the Government of Uruguay by Mr. Boris Krayevsky, duly empowered to that effect by your Government, I have the honor and the pleasure to notify the People's Commissariat for Foreign Affairs that the Government of the Oriental Republic of the Uruguay, in its endeavor to bring about a resumption of diplomatic relations between the two countries, recognizes the Union of Soviet Socialist Republics as a de jure Government, and as a result of this decision declares that from this moment official relations between these two countries are resumed.

"Alvaro Saralegui, Minister of Foreign Affairs of Uruguay."

Telegraphic reply of Mr. Litvinov, Acting People's Commissar for Foreign Affairs, to the Minister of Foreign Affairs of Uruguay:

"Montevideo, Ministry of Foreign Affairs.

"With deep satisfaction I have the honor to acknowledge the receipt of your telegram announcing that the Government of the U. S. S. R. has been recognized de jure by the Government of the Oriental Republic of the Uruguay, and containing the statement that from this moment the Government of the Oriental Republic of the Uruguay considers the official relations between the two governments as resumed.

"The Government of the U. S. S. R. takes cognizance of the contents of your telegram, and, considering on its part the official relations between the two governments as resumed, expresses its profound conviction that this action will contribute to the strengthening and further development of mutual understanding and friendly relations between the peoples of the two countries.

"M. Litvinov, Acting People's Commissar for Foreign Affairs."

Publications Received

AMERICAN TRADE AND INDUSTRY (in Russian), New York. June-July-August, 1926.

To meet a long-felt want of authentic first hand information regarding industrial and commercial conditions in the United States, the Amtorg Trading Corporation of New York City undertook, in June of the present year, the publication of a trade journal in the Russian language. As stated in the introductory article of the June number, the aim of the new periodical, which is to appear twice a month beginning with October of the present year, is to present to its Russian readers, chiefly the industrial and trading organizations of Soviet Russia, regular and detailed accounts of important developments in America in the fields of trade, industry, finance and transportation, with special reference to Russian-American trade relations.

Accordingly the new periodical—to our knowledge the first publication in Russian dealing exclusively with American trade and industry—in addition to articles of a more general character, such as methods of export financing, U. S. Government finance during the post-war period, American Grain Exchanges, the Federal Reserve System, Soviet products and the U. S. Tariff—has been presenting descriptive and analytical studies of the trade in leading Russian export commodities such as furs, hides and skins, bristles, seeds, carpet wool, lumber, etc. This series of descriptive articles, in connection with periodic market reviews with special reference to commodities in which the Soviet trading organizations are interested—by spreading a better knowledge of American markets among Russian exporters, are bound to facilitate trade between the two countries.

Considerable attention is also given to commodities entering the export trade of the United States with Soviet Russia, raw cotton, agricultural machinery, tractors and other important articles.

Judging by the friendly comments in the Russian Soviet press, the new journal fills a real want in Russian trade literature and is assured of an ever widening circle of readers, amongst the industrial and trading community in Soviet Russia having trade relations with this country.

Miscellaneous News

Population of the Soviet Union

The population of the Soviet Union now exceeds that of 1913 in the same territory. The present population is estimated at 141,400,000. A year ago it was 138,781,000 and under the census of 1920 it was 131,000,000. Before the war it was 140,000,000.

The gain in population is attributed largely to the steady reduction of the death rate, particularly in regard to epidemic diseases. The death rate from typhoid is now a little over one-third the pre-war rate and from smallpox one-fourth.

Of the present population 72,410,000 persons are classed as gainfully employed. These include 59,846,000 persons engaged in agriculture and 7,000,000 engaged in industries, transport and construction. The number of persons classed as living on independent incomes in the Soviet Union is estimated at 50,000. The number of unemployed in the estimates is 1,230,000. The total urban population is 23,700,000 and rural 117,700,000.

Moscow in Figures

According to recent data, Moscow has 1,900,000 inhabitants, including 953,165 men and 946,835 women. The corresponding figures in 1913 were: 1,694,815 inhabitants, including 943,215 men and 811,685 women.

The population is divided into the following categories:

| | <i>Men</i> | <i>Women</i> |
|----------------------------|------------|--------------|
| Workers | 155,200 | 63,850 |
| Office employees..... | 143,554 | 77,332 |
| Servants | 23,654 | 40,164 |
| Professional men and women | 5,337 | 4,963 |
| Other occupations..... | 88,932 | 45,773 |

The number of unemployed in Moscow is 94,953.

Mortality in Moscow is lower than the birth rate. In 1924 there were 51,925 births as against 27,083 deaths, while in 1925 the corresponding figures were 57,525 births as against 24,795 deaths.

Administrative Changes and Nominations

On August 14, 1926, the Central Executive Committee of the Soviet Union decided to relieve Mr. L. B. Kamenev of his post of People's Commissar for Commerce and to appoint in his stead Mr. A. I. Mikoyan.

The Council of People's Commissars of the Soviet Union has decided to relieve Mr. I. V. Boyev from his post as Trade Representative in Sweden, and to appoint in his stead Mr. M. S. Mironov. Mr. Boyev was appointed member of the Soviet Trade Delegation in England.

Mr. Skobelev was confirmed as Acting Chairman of the Chief Concessions Committee during the period of the leave of absence of Mr. Trotsky, Chairman of the Committee, and the illness of Mr. Joffe, Vice-Chairman of the Committee.

Mr. S. S. Kamenev, member of the Revolutionary Military Council and Chief Inspector of the Red Army, was appointed Chief of the Supreme Administration of the Red Army.

Mr. V. I. Zof, Commander of the Naval Forces of the Soviet Union, was relieved of his post, and R. A. Muklevich, Assistant Commander of the Air Forces of the Red Army, was appointed Chief of the Naval Forces.

The Capital of Siberia Renamed

The First Regional Congress of Siberia decided to change the name of Novo-Nikolayevsk to Novo-Sibirsk. Originally a settlement, founded in 1893 for 740 railroad workers, Novo-Nikolayevsk was declared a city in 1904 when its population had reached the number of 24,868. In 1917 the population had increased to 79,940. At present the city is the political and cultural center of Siberia. Its population is over 100,000.

Administrative Reorganization

The Karachai-Circassian Autonomous Area which was one of the constituent parts of the North-Caucasian Region, has been divided into two autonomous areas—the Karachai Area and the Circassian District.

Austrian Concession in the U. S. S. R.

An Austrian firm has secured an 18-year concession from the Soviet Government to operate the former Gorbachev knitting mill near Moscow. Under the terms the concessionary will equip the plant with machinery of the latest type. During the period of the concession the firm will enjoy the same privileges with respect to necessary imports, taxes, etc., as State textile mills operated for profit.

Oil Concession in the Shirak Steppe

The Italo-Belgian Joint Stock Company which concluded a concession agreement with the Soviet Government for the working of the oil deposits of the Shirak Steppe in Transcaucasia, has started its activities. All the necessary machinery and drilling equipment has arrived in the port of Batum and is now being transferred to the fields.

Radio in the Soviet Union

According to recent information, 71,000 owners of radio sets have been registered in the Soviet Union. Thus there is one radio set per every 2,000 inhabitants.

Activities of Private Joint Stock Companies

The activity of the private joint stock companies is constantly increasing. In 1922 only two private joint stock companies were formed, with an aggregate capital of 350,000 rubles (\$180,200). In 1925, 19 companies with a capital of over 2,500,000 rubles (approximately \$1,300,000) were in operation. The amount of 100,000 rubles was fixed by the law as the minimum capital with which a private joint stock company could be formed. These companies are chiefly engaged in commerce, viz., textile goods—19 per cent of the capital of the private joint stock companies; food stuffs—19 per cent; leather trade—13 per cent; haberdashery, notions and trimmings—10 per cent; building and timber materials—6 per cent; metal products—6 per cent; theatrical and publishing enterprises—5 per cent, etc.

Remarkable Achievement of Soviet Aviation

A young Red Army aviator, in a Soviet plane fitted with new motors made in Soviet factories, has completed a remarkable three-day flight over Western Europe and return to Moscow, making landings at the principal capitals. He covered 4,167 miles and his flying time was 34 hours, 26 minutes, making an average of 121 miles an hour. The airplane was a machine made for ordinary postal service, with a motor of 450 horse power, manufactured after the design of engineer A. N. Tupolev. On the strength of the performance the Soviet newspapers claim a record unsurpassed even by specially made French planes.

The young aviator, M. M. Gromov, still in his twenties, hopped off from the Trotzky airdrome, Moscow, accompanied by his mechanic, Rodzevich, at 3:27 a. m., August 31. The first stop, Koenigsberg, Germany, 733 miles was made in 5 hours, 52 minutes. Another hop to Berlin, 360 miles, was made in 3 hours, 17 minutes, and the third leg to Paris, 578 miles, took 5 hours and 54 minutes.

The itinerary of the second day, Paris to Rome to Vienna, called for the passing of the French Alps, the Italian Apennines and the Italian Alps, under rather difficult conditions. The run from Paris to Rome, 745 miles was made in 5 hours, 43 minutes, and that from Rome to Vienna, 534 miles, in 4 hours and 10 minutes.

On the third day a planned stop at Prague was abandoned because of a thick fog. Warsaw, 472 miles, was reached in 4 hours, 10 minutes, and the home run to Moscow, 745 miles, was made in 5 hours, 20 minutes.

Moscow was reached at 6:15 p. m., on September 3, the aviators having been absent 62 hours and 52 minutes. The populace gave Gromov and Rodzevich an ovation.

Airplane construction in the Soviet Union was

begun less than two years ago. The first Soviet-made airplane motors were tried out in the summer of 1925, one of them achieving a flight to Peking and Tokio.

Trolley Car Traffic in Moscow and Leningrad

The year 1925 was the crucial year for the Moscow street railways. During that year the trolleys carried 394,000,000 passengers, while during the fiscal year 1923-24 the number of passengers was about 250,000,000. The number of new trolley cars does not keep pace with the increase of the population. In 1925 the number of trolley cars in operation was 740. In 1924-25 one and a half as many passengers were carried as in 1913, while the number of cars in operation was 13 per cent less than before the war.

In order to remedy to some extent the trolley difficulties the speed of the cars was increased. At present the commercial speed of the cars is about 12 kilometers per hour, while before the war it amounted to 11½ kilometers. While in pre-war time there were annually 200 trips per person that number has now increased to 400.

The gross income from the Moscow trolley system in 1924-25 was 35,000,000 gold rubles, the net profit amounting to 9,397,500 gold rubles. The number of accidents is much smaller now than before the war. While before the war there was one fatal accident per 20,000,000 passengers, the ratio is now one per 30,000,000. This is due to special measures adopted by the Moscow Soviet aiming at the reduction of the number of accidents.

The number of trolley car lines in Leningrad is 23. They extend over a distance of 240 kilometers, which is 16 kilometers more than before the war. The speed of cars was 11.3 kilometers per hour in 1914; in 1923 it dropped to 8 kilometers; at present it is over 12.5 kilometers. While in 1921 the cars were running only 10 hours daily, this time has been extended now to 18½ hours. The number of trips per person amounts to 260, as compared with 100 in 1922. Every inhabitant of the city makes now one and a half more trips than before the war.

The gross income of the trolley system in Leningrad was 19,000,000 gold rubles in 1924-25, the net profit amounting to 8,000,000 gold rubles.

Bus Traffic in the Soviet Union

Motor bus traffic is now being introduced in the Soviet Union on a continuously increasing scale. At present there are altogether 450 motor busses in operation in the Soviet Union, viz., 150 in Moscow, 50 in the Ukraine, 50 in the Crimea, 50 in Transcaucasia, 50 in the Northern Caucasus and up to about 100 in the various provincial cities.

In the course of this year 230 more busses will

be set in operation, thus increasing the bus traffic of Moscow, Transcaucasia and Siberia.

Six new lines are being started in Transcaucasia, covering a total distance of 3,000 kilometers.

In Siberia bus traffic was opened on the frontier of Western China. Motor bus communication is also being opened on the Turkoman-Persian border, in the district of Poltoratsk (formerly called Askabad).

Further purchases of motor busses from England, Italy, Germany and France are contemplated.

The Chinese Eastern Railway

The quantity of freight carried in 1925 by the Chinese Eastern Railway amounted to over 4,250,000 metric tons. This is a record figure since the establishment of that railroad. The gross income of the railroad was 46,370,000 gold rubles, the profit amounting to 13,300,000 rubles.

The "Volkhovstroy" Power Station

The electrical power station "Volkhovstroy" erected on the river Volkhov, which is to supply electrical power to Leningrad, will be set in operation in the course of November, 1926, at a capacity of 20,000 kilowatts. It is expected that the

station will be completely equipped by July, 1927, when it will be operated at a capacity of 56,000 kilowatts.

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

The balance sheet of the department of issue of the State Bank of the Soviet Union, as of September 16, expressed in chervontzi valued at \$5.14½, with comparison of September 1, follows:

| ASSETS: | September 16 | September 1 |
|---|-------------------|-------------------|
| Gold coin and bars..... | 14,836,655 | 14,827,065 |
| Platinum | 3,056,163 | 3,056,163 |
| Foreign currency..... | 5,117,942 | 5,052,427 |
| Drafts in foreign currency | 192,888 | 192,888 |
| Bills in chervontzi..... | 60,710,485 | 59,785,590 |
| Securities covering advances | 85,867 | 85,867 |
| Total..... | 84,000,000 | 83,000,000 |
| LIABILITIES: | | |
| Bank notes transferred to State Bank..... | 82,183,319 | 80,042,416 |
| Balance to which notes may still be issued..... | 1,816,681 | 2,957,584 |
| Total..... | 84,000,000 | 83,000,000 |

Eighty-four million chervontzi equal 840,000,000 gold rubles.

The next issue of the "Russian Review" will appear on November 1, 1926.

AMERICAN.
AMERICAN TRADE & INDUSTRY
 И АМЕРИКАНСКАЯ
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RUSSIAN REVIEW

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Vol. IV, No. 13

The Ninth Anniversary of the Soviet Union

The Metal Industries in the U. S. S. R.

Foreign Trade of the Soviet Union for 1925-26

Newspaper and Book Publishing in the U.S.S.R.

Achievements of Soviet Aviation

Foreign Relations of the Soviet Union

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RUSSIAN REVIEW

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Entering Upon the Tenth Year

THE Soviet Republic is entering upon the tenth year of its existence. In celebrating the ninth anniversary of the Revolution on November 7, 1926, it can look back upon a year of great economic achievements.

During the past fiscal year 1925-26, beginning October 1, 1925, the State industry of the Soviet Union yielded a net profit of 450,000,000 rubles.

The production totals in all branches of industry are approaching the pre-war level.

The output of coal amounted to 24,302,200 metric tons, as against 16,083,000 metric tons in 1924-25, constituting 87 per cent of the pre-war level.

The gross output of oil is estimated at 8,240,029 tons, as against 6,960,576 metric tons in 1924-25, reaching 90 per cent of the pre-war output.

Iron smelting shows the following figures: Cast iron—2,201,121 metric tons in 1925-26, as compared with 1,291,511 metric tons in 1924-25; Martin steel—2,879,871 metric tons in 1925-26, as against 1,868,342 metric tons in 1924-25; and rolled iron—2,138,440 metric tons in 1925-26, as against 1,390,203 metric tons in 1924-25. The metal industry has reached 70 per cent of the pre-war level.

During the fiscal year 1925-26 the cotton industry turned out 1,999,282,000 meters of finished goods—90 per cent of the pre-war level—as against 1,499,020,000 meters for the preceding year. This is an increase of 33.4 per cent over 1924-25, and of 109 per cent over 1923-24. The output of the woolen industry increased from 49,287,000 meters of finished goods in 1924-25, to 63,678,000 meters in 1925-26, which is 29.2 per cent above the figure of the preceding year. The output of linen goods increased from 134,076,000 square meters in 1924-25 to 169,961,000 meters in 1925-26, which is 27 per cent above the figure for the preceding year.

The cement industry increased during the year by 74.5 per cent, showing an output of 1,286,237 metric tons in 1925-26, as against 716,468 tons in 1924-25.

Due to a very good sugar beet harvest in 1925, the output of sugar increased by 130.3 per cent, viz., from 451,046* metric tons of granulated sugar in 1924-25 to 1,057,868* metric tons in 1925-26.

* The total figures given in the October issue of the **RUSSIAN REVIEW** do not include the plants remaining outside of the Sugar Trust.

Great progress was achieved in the heavy chemical industry, as expressed by the following figures: Acids—217,847 metric tons in 1925-26 as against 165,344 metric tons in 1924-25, an increase of 31.8 per cent; alkalies—201,325 metric tons in 1925-26, as against 154,182 metric tons in 1924-25, an increase of 33.8; sodium carbonate—135,605 metric tons in 1925-26, as against 98,300 metric tons in 1924-25, an increase of 37.7; superphosphates—81,701 metric tons in 1925-26, as against 52,997 metric tons in 1924-25, an increase of 54.2 per cent.

The total value of the output of the entire large scale industry (not including the flour mills) is estimated at 8,361,384,000 rubles (\$4,306,100,000) in 1925-26, as against 5,898,500,000 rubles (\$3,037,700,000) in 1924-25. The ratio of increase over the preceding year is 38 per cent in quantity and 41.8 per cent in value.

On the basis of the data available with regard to those branches in which an exact comparison of present production figures with those of the pre-war period is possible, it may be estimated that the industrial output of 1925-26 amounts to about 90 per cent of the pre-war level.

The total number of workers employed in the State industries rose from 1,653,501 on September 1, 1925 to 1,931,487 on September 1, 1926. The real wages of the workers increased 18.6 per cent. In most of the branches, except the mining and metal industries, they attained the pre-war level in 1925-26. If it is considered that only 86 per cent of the entire large scale industry is covered by the Central Statistical Department of the Supreme Council of National Economy which compiled these figures, it may be estimated that the total number of workers in the large scale industry increased by over 300,000.

The capital expenditures for the industries during the year 1925-26 amounted to 850,000,000 rubles (\$437,700,000). Of this amount about 70,000,000 rubles (\$36,000,000) were invested in the construction of electrical power stations. The imports included 60,000,000 rubles (about \$31,000,000) worth of industrial equipment and 330,000,000 rubles (\$169,000,000) worth of industrial raw materials.

The electrification of the country has made great progress in the course of the year. Two big regional power stations have started their operation, viz., the Nizhni-Novgorod station with a capacity of 20,000 kilowatts, and the Shterov

station with a capacity of 10,000 kilowatts. The "Electroperedacha" station in Moscow increased its capacity by 16,000 kilowatts and the station "Krasny Oktiabr" (Leningrad) by 10,000 kilowatts. The "Volkhovstroy" station in the Leningrad region (56,000 kilowatts) was finished in the course of the year and will be started on November 7, 1926. Local stations were opened in Erivan in Soviet Armenia, and in Tashkent, in Soviet Central Asia. They were built with the help of local resources. Three large stations were started during the year—one in Kiev with 20,000 kilowatt capacity, one in Chuguyev, 40,000 kilowatts, which is to supply Kharkov, the capital of the Ukraine, and one in Saratov, with a capacity of 10,000 kilowatts. The Sverdlovsk (formerly called Ekaterinburg) electrical station, 6,000 kilowatts, and the Liapinsk station (near Yaroslavl), 5,000 kilowatts, are approaching their completion and will be set in operation in the beginning of the new fiscal year 1926-27.

Great forward strides have been made in the course of the year in the field of agriculture. The carrying out of a number of agricultural measures, the improvement of the technique of land tillage, the transition of over 150,000 peasant farms to the system of crop rotation of more than three fields, the regrouping of land holdings on an area covering about 50,000,000 acres, the introduction of 13,000 tractors into the villages in the course of one year, the delivery of 90,000,000 rubles' worth of agricultural machinery, etc., all this proved to be a tremendous stimulus to the agricultural development of the country. According to preliminary estimates the grain harvest of 1926 was about 9 per cent greater than that of 1925.

According to preliminary figures the Soviet railroad system was expected to carry out the entire freight transport program amounting to 7,200,000,000 poods (116,000,000 metric tons). This is an increase of about 44 per cent over the corresponding figure of 1924-25. A 15 to 20 per cent increase in the freight turnover is expected for the new fiscal year 1926-27.

The national income of the Soviet Union increased from 15,456,000,000 rubles (\$7,959,800,000) in 1924-25 to 19,914,000,000 rubles (\$10,255,700,000) in 1925-26.

COMMERCIAL HANDBOOK
of the
SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

PRICE, 25 CENTS

Industrial Progress in the U. S. S. R.

THE value of the output of the large scale State industries for August, 1926, amounted to \$335,300,000, as against \$272,700,000 in July, showing an increase of 18.5 per cent. The output of coal decreased from 2,006,000 metric tons in July to 1,918,000 metric tons in August. The output of cast iron was in August 196,848 metric tons, as against 190,327 metric tons in July, an increase of 3.4 per cent. The output of Martin steel amounted to 250,153 metric tons in August, as against 235,949 metric tons in July, an increase of 6 per cent. The output of rolled iron increased from 173,516 metric tons in July to 186,630 metric tons in August, an increase of 7.6 per cent. The output of the cotton textile industry for August was 154,710,000 meters of finished goods, as against 116,416,000 meters in July, an increase of 32.9 per cent. The output of finished woolen goods was 4,970,400 meters in August, as against 4,015,100 meters in July, an increase of 23.8 per cent. In the linen industry the output was 13,381,000 square meters in August, as against 8,830,000 square meters in July, an increase of 51.5 per cent.

Oil Industry

Production in the Soviet oil fields has set a new monthly record each month since the beginning of the calendar year. The output for August was 777,183 metric tons, as compared with 751,628 tons in July, an increase of 3.4 per cent.

Important new oil deposits, rich in gas layers were discovered in the Novo-Grozny fields. The extent of the oil-bearing strata has not yet been determined, but the oil experts, on the analogy of the older Grozny fields, judge that the newly discovered storages will contain not less than 33,000,000 metric tons. The managing board of the Soviet oil industry regards the new discovery as of great importance.

The Azerbaijan Oil Trust which operates the oil fields of the Baku region has placed in Germany large orders for all kinds of equipment. The orders amount to 5,300,000 rubles (\$2,730,000) and include pipes, pumps, electrical equipment, 124 lathes for the working of metals, etc. The delivery of the equipment is under way.

Soviet Textile Industry in 1925-26

A considerable increase has been attained by the Soviet textile industry during the fiscal year 1925-26 (from October 1, 1925, to September 30, 1926), as compared with the preceding year.

The cotton industry turned out 243,400 metric tons of yarn in 1925-26, as compared with 186,000 metric tons in 1924-25, and 2,131,000,000 meters of unfinished goods as against 1,595,400,000 meters in 1924-25. Thus the total output of yarn increased by 30.9 per cent during the year, while

the output of unfinished goods increased 33.6 per cent.

The woolen industry turned out 32,800 metric tons of yarn in 1925-26, as against 27,700 metric tons in 1924-25, and 66,800,000 meters of unfinished goods as against 52,600,000 in 1924-25.

In the linen industry the output of yarn increased by 31.9 per cent for the year, that of unfinished linen by 22.4 per cent and that of bags by 25.2 per cent.

The production program for 1926-27 (beginning October 1, 1926) provides for the output of 2,380,000,000 meters of unfinished cotton goods, 190,000,000 meters of linen (including 61,000,000 bags), 35,000,000 meters of worsted goods, 18,000,000 meters of light woolens and 17,500,000 meters of heavy woolens.

The shortage of drygoods has now been completely overcome. Siberia, the Central Asiatic Republics and other regions are at present sufficiently provided with textile goods.

The amount of 113,000,000 rubles (\$58,195,000) is to be spent in the course of 1926-27 for a further extension of the textile industry.

Purchases for the Textile Industry

In the course of the fiscal year 1925-26 which ended on September 30, 1926, the All-Union Textile Syndicate which includes virtually the entire textile industry of the Soviet Union, purchased on all foreign markets over 150,000,000 rubles worth of raw materials. These figures include 75,000,000 rubles (about \$38,600,000) worth of American cotton, purchased in the United States and partly in England, 31,000,000 rubles (\$15,965,000) worth of Egyptian cotton, 14,000,000 rubles (\$7,210,000) worth of Persian and Turkish cotton, 8,196 metric tons of wool for 34,000,000 rubles (\$17,510,000). In addition to this, machinery and technical equipment for 10,000,000 rubles (\$5,150,000) as well as dyestuffs and various chemicals for 9,500,000 rubles (\$4,900,000) were purchased.

According to the import plan for textile equipment for the fiscal year 1926-27, beginning October 1, 1926, the major part of the orders will be given to England and to Germany, and the balance to France, the United States, Poland, Finland and Italy. In addition to this, approximately 12,000,000 rubles (over \$6,000,000) worth of equipment is to be imported in the course of the new fiscal year (1926-27), chiefly from England, on orders given in the course of the fiscal year 1925-26, which began October 1, 1925. The imports are to be distributed as follows according to the various industries: Cotton mills 50 per cent, woolen mills 15 per cent, linen industry 20 per cent, knitting mills 10 per cent, and 5 per cent for the other branches of the textile industry.

The Metal Industries in the U. S. S. R.

BEFORE the Revolution Russia's metal industries were almost entirely in the hands of foreign interests, and their development was proceeding very slowly. Data for 1912 show that 41.5 per cent of the total machinery requirements of the present territory of the Soviet Union were imported from abroad. The figures for lathes show that 88 per cent were imported, and only 12 per cent were turned out in the country. With regard to internal combustion engines the percentage of imports was 59, and with regard to steam turbines and engines—32.4 per cent. A similar condition prevailed also in the production of agricultural, textile and other machinery. Thus 27.2 per cent of textile machinery and 53 per cent of agricultural machinery were imported. Neither the automobile nor the airplane industry was in existence before the war.

The metal industries suffered heavily from the World War and the civil strife. It was only in the course of the last three or four years that the metal industries began to recover and during the fiscal year 1925-26 (beginning October 1, 1925) they reached 83 per cent of the level of 1913. In some branches of the metal industries the past year exceeded the pre-war level. Thus the output plan for metal turning lathes was 267 per cent of the 1912 figure, and that for textile machinery double the pre-war figure. In the field of agricultural machinery the planned output was 123 per cent of the pre-war figure. Agricultural machines of domestic manufacture, produced in the course of 1925-26 were expected to cover 79 per cent of the requirements, as against the pre-war figure of 47 per cent; and at the same time it must be borne in mind that the requirements of peasant economy have increased as compared with the pre-war figure.

The rapid increase of the Soviet Union's metal industries is shown by the following figures, including the large scale State establishments:

| | Number of operating plants | Number of workers at end of month |
|--------------------|-------------------------------|--------------------------------------|
| October, 1924..... | 368 | 318,501 |
| October, 1925..... | 414 | 457,270 |
| April, 1926..... | 421 | 484,683 |

This table shows that in the course of 19 months the number of large establishments increased by 53 units, or 14.4 per cent, while the number of workers employed therein increased by 166,182 or 52.2 per cent.

A considerable growth was shown in particular by the iron and steel industry. In the course of these 19 months the number of plants rose from 63 to 82, i. e., by 30.1 per cent, and the number of workers, from 113,459 to 181,382, i. e., by 60 per cent.

Not less remarkable are the production results of the Soviet metal industries. This can be seen from the following figures:

Gross Output of Large Scale State Metal Industries According to Pre-war Prices (in Rubles)

| | |
|-----------------------|-------------|
| 1923-24 | 270,541,000 |
| 1924-25 | 503,386,000 |
| 7 months 1924-25..... | 259,873,000 |
| 7 months 1925-26..... | 427,067,000 |

In 1924-25 the output of the large scale State metal industries of the Soviet Union increased by 86.1 per cent as compared with the preceding year. The available data for the first seven months of 1925-26 (October 1, 1925 to May 1, 1926) show an increase of 57.8 per cent over the entire fiscal year 1923-24, and of 64.3 per cent over the corresponding period of 1924-25, an enormous increase, if compared with the annual growth before the war, which hardly amounted to 7 or 8 per cent. This was possible as long as the plants of the metal industries were not working at full capacity; in 1925-26, however, the plants in operation were working at 100 per cent of their pre-war capacity. The other plants require considerable expenditures before they can be put into operation. By the end of the fiscal year 1925-26 (i. e., by October 1, 1926) the metal industries no longer had in reserve any plants fit for exploitation. This means that the metal industries are entering upon an era of the construction of new enterprises.

Imports of Equipment for Metal Industries

The Supreme Council of National Economy has begun to distribute the orders for the import of equipment necessary for the existing plants of the metal industries as well as for those under construction.

Up to the present the major part of the orders have been placed in Germany on account of the credits of 300,000,000 marks (\$85,000,000) guaranteed by the German Government. The terms of the credits are four and a half years, payments to begin in two years. Up to September 10, 1926, 43,000,000 marks worth of equipment were bought in Germany.

The value of the orders given to Czecho-Slovakia exceeds 2,000,000 rubles (over \$1,000,000), long term credits—four and a half years—being granted for the payment.

All the orders were given at normal prices, and on terms more favorable than those obtaining before the war.

The distribution of the orders is still being continued.

The next issue of the "Russian Review" will appear on December 1, 1926.

Industrial and Building Concessions

THE Council of People's Commissars ratified a concession agreement with the Polish citizen, Mr. O. Trilling, for the manufacture of all kinds of woolen and semi-woolen cloth, all kinds of blankets, woolen yarn, rugs and kerchiefs. A factory which up to that time had been operated by the "Mossukno" Trust was placed at the disposal of the concessionaire.

Upon taking over the enterprise the concessionaire engages himself to equip the factory with up-to-date machinery so that at the end of the second year the factory should be in a position to turn out annually not less than 200,000 meters of cloth or 150,000 meters of blanket material. In the course of these two years the concessionaire is obliged to install new equipment valued at not less than \$80,000.

All machines, instruments and other implements necessary to the full equipment of the enterprise are to be imported by the concessionaire, subject to the payment of the usual customs and license duties.

While the concession is in operation the concessionaire is obliged to maintain the enterprise in perfectly good condition, to run it at the capacity laid down in the agreement, and to apply all the modern technical improvements.

The concessionaire is allowed to engage foreign skilled workers, whose number must not, however, exceed 10 per cent of the total number of skilled workers employed at the concession enterprise.

The concessionaire has the right, in the course of a year, to organize abroad or in the U. S. S. R., a joint stock company for the exploitation of his concession. The capital stock of the company is to amount to not less than 400,000 rubles. The term of the concession is 15 years.

Foreign Capital in Soviet Housing Construction

The Soviet Government ratified a concession agreement with the joint stock construction company "Rusgerstroy" which is to operate as a "mixed company." The participants of the company are the German construction firm Kessel & Co. and the Central Union of Housing Cooperatives of the Soviet Union. The Kessel system of using factory methods in turning out standardized parts of houses will greatly cheapen and hasten housing construction in the Soviet Union.

Notwithstanding the considerable development of housing cooperation and of private building activities which are greatly encouraged, housing construction, as conducted at present, cannot keep pace with the rapid growth of the city population. This is due to the comparative high cost of building materials and labor. According to

calculations made, the "Rusgerstroy" Company will be able to build 25 to 30 per cent below the present cost.

Trade Unions and Concession Enterprises

The Central Council of Trade Unions of the Soviet Union recently published a decision concerning the activities of the trade unions with regard to concession enterprises and private firms.

According to the decision referred to the activities of the above labor organizations with regard to concession enterprises are to concern themselves exclusively with the protection of the economic interests, the living conditions and the cultural needs of the workers, as provided in the Code of Labor Laws.

The trade unions have no right to submit to the concessionaire demands other than those stipulated in the collective agreements and based upon the Code of Labor Laws.

In presenting their demands at the time of the conclusion or of the renewal of collective agreements, the trade unions are to consider the economic situation of the concessions in question, in order not to force them out of business.

Soviet Foreign Trade for 1925-26

THE total foreign trade turnover of the Soviet Union for the fiscal year 1925-26 which began on October 1, 1925, was 1,259,500,000 rubles (\$648,642,500). This figure refers to the trade across the European frontier only. The exports amounted to 586,700,000 rubles (\$302,150,000) and the imports to 672,800,000 rubles (\$346,492,000), giving an unfavorable balance of 86,100,000 rubles (\$44,341,500), as against an unfavorable balance of 125,467,000 rubles (\$64,616,000) in 1924-25.

Soviet Foreign Trade for August and September

The foreign trade turnover of the Soviet Union for August was \$52,118,000. This compares with a turnover of \$50,134,000 last year, an increase of 4 per cent. Imports were \$26,728,500 and exports \$25,389,500, giving an unfavorable balance of \$1,339,000. The figures are for the European frontiers only. The unfavorable balance was attributed to the unusual amount of cotton imported from the United States during the month and an unfavorable situation in the butter and egg export.

Cotton imports for the month were valued at \$9,474,000; metals, machinery and tools at \$9,050,000. The exports included wheat valued at \$2,984,000; furs valued at \$4,187,000; timber valued at \$3,713,000.

The foreign trade turnover for September, the

last month of the fiscal year 1925-26, totaled 104,700,000 rubles (\$53,920,000); the exports amounted to 54,700,000 rubles (\$28,170,000) and the imports 50,000,000 rubles (\$25,750,000), giving a favorable balance of 4,700,000 rubles (\$2,420,000). The large favorable balance for September marks a considerable progress in the Soviet Union's foreign trade situation. The balance for the preceding months of 1925-26 was mostly adverse or only slightly favorable. September of 1925 had an adverse balance of \$3,711,000. The figures are for the European frontiers only.

Soviet Oil Exports

Oil exports from the Soviet Union from October 1, 1925, to August 31, 1926, eleven months of the past fiscal year, broke all Russian records. The total exports were 1,310,108 metric tons, as compared with 1,248,259 metric tons for the same period of last year. The annual pre-war exports were about 900,000 tons.

The export of oil products in August amounted to 174,523 metric tons, showing an increase of 17.7 per cent as compared with the July exports.

Export of Furs

In the course of the first eleven months of the past fiscal year, from October 1, 1925, to August 31, 1926, 72,400,000 rubles (\$37,280,000) worth of furs were sold on foreign markets, mostly in England, the United States and France.

Imports of Agricultural Machinery in 1925-26

In the course of 1925-26 a number of agreements with foreign firms were concluded by the Soviet State Trading Bureau ("Gostorg") for the delivery of agricultural machinery. The orders for agricultural machinery were distributed as follows: United States—10,440,000 rubles (\$5,376,000) or 41 per cent of the total; Germany—6,453,000 rubles (\$3,323,000) or 25.7 per cent of the total; Sweden—2,874,000 rubles (\$1,480,000) or 11.45 per cent of the total; Czechoslovakia—3,140,000 rubles (\$1,617,000) or 12.5 per cent; Austria—1,682,000 rubles (\$866,230) or 6.7 per cent; and smaller orders to England, Poland, Italy, Denmark and Finland.

According to the various groups of machinery the imports were distributed as follows: tractors—7,376,000 rubles (\$3,798,000) or 29.38 per cent of the total; tractor plows—1,158,000 rubles (\$596,000) or 4.61 per cent; farming implements—3,900,000 rubles (\$2,000,000) or 15.53 per cent; grain sifting machinery—1,566,000 rubles (\$806,000) or 6.24 per cent; sowing implements—785,000 rubles (\$404,000) or 3.13 per cent; harvesting machines—4,000,000 rubles (\$2,060,000) or 15.93 per cent, etc.

Most of the machinery imported was purchased on credit with 25 per cent cash payment at the time the orders were given, except American tractors for which 75 per cent were paid in cash with the orders.

The actual imports of agricultural machinery and implements for the first ten months of the fiscal year 1925-26, beginning October 1, 1925, amounted to 44,451,000 rubles (\$22,892,000), including 28,251,700 rubles (\$14,549,600) worth of agricultural machinery, 560,600 rubles (\$288,700) worth of spare parts, 11,365,500 rubles (\$5,853,200) worth of tractors, 1,711,300 rubles (\$881,300) worth of tractor-accessories, 2,561,000 rubles (\$1,319,000) worth of scythes and sickles.

Soviet Banks

THE activity of the Soviet banks of federal scope was developing quite successfully in 1925-26, though at a less rapid rate than during the preceding years. Data for the first nine months of the fiscal year beginning October 1, 1925, indicate a considerable growth of the activities of these banks.

The combined total of the balance sheets of the State Bank and of ten commercial banks, viz. the Commercial and Industrial Bank ("Prombank"), the Bank for Foreign Trade ("Vneshtorgbank"), the All-Russian Cooperative Bank ("Vsekobank"), the "Electrobank," the Moscow City Bank ("Mosgorbank"), the Central Municipal Bank ("Tsekombank"), the Central Agricultural Bank, the Central Asiatic Bank, the North-Caucasian Bank and the Far Eastern Bank—amounted, on October 1, 1925, to 3,406,200,000 rubles (\$1,754,000,000). In the course of nine months it increased by 418,000,000 rubles (\$215,000,000), or 12.2 per cent, amounting to 3,824,200,000 rubles (\$1,969,000,000) on July 1, 1926.

The growth of the discount and loan operations is shown in the following table (in rubles):

| | Oct. 1, 1925 | July 1, 1926 |
|---|----------------------|----------------------|
| Loans against drafts..... | 1,240,200,000 | 1,458,700,000 |
| Loans against merchandise..... | 369,700,000 | 375,100,000 |
| Special long term loans..... | 378,800,000 | 559,100,000 |
| Financing of grain purchasing operations..... | 183,400,000 | 108,900,000 |
| Other loans..... | 384,500,000 | 517,500,000 |
| Total..... | 2,556,600,000 | 3,019,300,000 |
| | (\$1,316,600,000) | (\$1,554,900,000) |

The deposits of the Federal Treasury increased from 280,000,000 rubles (\$144,200,000) to 365,800,000 rubles (\$188,400,000) i. e., by 30.7 per cent; other deposits increased from 28,300,000 rubles (\$14,500,000) to 47,400,000 rubles (\$24,400,000) i. e., 67.5 per cent.

The Banking System of the Soviet Union

On April 1, 1926, the banking system of the Russian Socialist Federal Soviet Republic (Soviet

Russia proper) included 233 establishments,* of both federal and local scope, with an aggregate number of 953 main and branch offices, as against 184 establishments with 851 offices on October 1, 1925. During that period the combined total of the balance sheets of these banks increased from 4,663,600,000 rubles (\$2,401,750,000) to 5,240,200,000 rubles (\$2,698,700,000).

In the Ukrainian Soviet Republic the number of banking establishments, including the branches of the federal banks, increased during the half-year in question from 91 to 131, the aggregate number of main and branch offices increasing from 236 to 280. The combined total of the balance sheets increased from 553,300,000 rubles (\$284,950,000) to 634,300,000 rubles (\$326,660,000).

In the White Russian Soviet Republic the banking system (federal and local) increased from 16 establishments with an aggregate of 30 offices to 19 establishments with 35 offices. The combined total of the balance sheets increased from 34,000,000 rubles (\$17,500,000) to 44,200,000 rubles (over \$22,760,000).

In the Transcaucasian Soviet Federation (including Georgia, Armenia and Azerbaijan) the number of credit establishments, including the branches of federal banks, increased in the course of the six months from 22 to 28, and the aggregate number of their main and branch offices increased from 51 to 61. The combined total of the balance sheets increased from 115,360,000 rubles (\$59,410,000) to 139,300,000 rubles (\$71,739,000).

The banking system of the Uzbek Soviet Republic (the southeastern part of Soviet Central Asia) included, on April 1, 1926, 9 establishments with 48 main and branch offices, as against 6 establishments with 42 offices. The combined total of the balance sheets increased from 117,500,000 rubles (\$60,500,000) to 177,000,000 rubles (\$91,150,000).

In the Turkoman Soviet Republic (in the southwestern part of Soviet Central Asia) the banking system shows an increase from 6 establishments with a total of 11 main and branch offices, to 7 establishments with a total of 15 offices. The combined total of the balance sheets of these establishments rose from 10,200,000 rubles (\$5,250,000) to 15,400,000 rubles (\$7,930,000).

Thus, in the course of six months the number of all credit establishments of the Soviet Union

* In the number of credit establishments of each of the six constituent republics are also included those establishments whose main offices are not on the territory of the republic in question. In the R. S. F. S. R. their number was 2; in the Ukraine 4 in 1925 and 6 in 1926; in White Russia 3; in Transcaucasia 5; in the Uzbek Republic 3; in the Turkoman Republic 5 in 1925 and 4 in 1926. These figures must be deducted in calculating the total number of establishments for the entire U. S. S. R. as given in the last paragraph.

increased from a total of 303, with an aggregate number of 1,221 main and branch offices, to a total of 405, with an aggregate number of 1,392 offices. The combined total of the balance sheets of these banks increased from 5,493,970,000 rubles (\$2,829,400,000) to 6,250,400,000 rubles (\$3,218,900,000).

The State Bank of the Soviet Union

The full statement of the State Bank of U. S. S. R., as of September first, 1926, is as follows:

| ASSETS | | |
|--|------------------------|--|
| | Sept. 1, 1926 | Increase or Decrease Over Aug. 1, 1926 |
| Cash | \$52,089,000 | + \$15,552,000 |
| Bullion, Coin, Precious Metals and Foreign Currencies | 129,443,000 | + 3,281,000 |
| Securities | 34,986,000 | + 1,441,000 |
| Goods | 43,000 | — 4,000 |
| Loans and Discounts..... | 840,069,000 | + 31,174,000 |
| Loans against Merchan- dise | 102,315,000 | + 4,811,000 |
| Special Loans to Industry and Agriculture on ac- count of People's Com- missariat of Finance..... | 86,576,000 | — 45,315,000 |
| Commission, Interest and other charges, etc..... | 31,786,000 | + 2,166,000 |
| Offices, Branches and Agencies | | — 2,876,000 |
| Other Assets | 37,827,000 | — 15,244,000 |
| TOTAL..... | \$1,315,134,000 | — \$5,014,000 |
| LIABILITIES | | |
| Capital | \$51,450,000 | |
| Surplus | 7,718,000 | |
| Undivided Profits | 10,155,000 | — \$3,807,000 |
| Note Issue | 411,818,000 | + 25,110,000 |
| Deposits | 563,069,000 | + 4,866,000 |
| Transfers | 1,523,000 | + 112,000 |
| Government Fund for Loans to Industry and Agriculture | 88,781,000 | — 44,817,000 |
| Commission and Interest.. | 88,829,000 | + 6,564,000 |
| Offices, Branches and Agencies | 5,709,000 | + 5,709,000 |
| Other Liabilities | 86,082,000 | + 1,249,000 |
| TOTAL | \$1,315,134,000 | — \$5,014,000 |

Currency, Loans and Taxes

THE gradual increase of the amount of currency in circulation in the U. S. S. R. is shown by the following table presenting the average amounts of currency in circulation beginning with the third quarter of 1923-24 (April-June, 1924):

| | Rubles |
|--------------------------|---------------|
| April-June, 1923-24..... | 449,300,000 |
| July-Sept., 1923-24..... | 544,600,000 |
| Oct.-Dec., 1924-25..... | 695,400,000 |
| Jan.-March, 1924-25..... | 731,600,000 |
| Apr.-June, 1924-25..... | 792,500,000 |
| July-Sept., 1924-25..... | 975,100,000 |
| Oct.-Dec., 1925-26..... | 1,267,000,000 |

The currency circulation figures for 1926 were as follows:

| | Rubles |
|------------------------|---------------|
| January 1, 1926..... | 1,269,298,600 |
| April 1, 1926..... | 1,206,180,100 |
| July 1, 1926..... | 1,209,387,300 |
| August 1, 1926..... | 1,233,940,000 |
| September 1, 1926..... | 1,274,700,000 |

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

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

| ASSETS: | October 15 | October 1 |
|---|-------------------|-------------------|
| Gold coin and bars | 16,151,473 | 15,334,549 |
| Platinum | 3,056,163 | 3,056,163 |
| Foreign currency | 5,155,612 | 5,119,788 |
| Drafts in foreign currency..... | 192,888 | 192,888 |
| Bills in chervontzi | 66,357,997 | 64,210,745 |
| Securities covering advances.. | 85,867 | 85,867 |
| Total | 91,000,000 | 88,000,000 |
| LIABILITIES: | | |
| Bank notes transferred to State Bank | 89,052,518 | 85,677,080 |
| Balance to which notes may still be issued | 1,947,482 | 2,322,920 |
| Total | 91,000,000 | 88,000,000 |

Ninety-one million chervontzi equal 910,000,000 gold rubles (\$468,650,000).

The State Debt of the Soviet Union

According to preliminary data the internal State debt of the Soviet Union, as of September 1, amounted to 640,058,000 rubles (\$329,629,870). This debt was divided into the following categories:

| | Rubles |
|-------------------------------------|--------------------|
| First Lottery Loan..... | 100,000,000 |
| Second Lottery Loan..... | 52,200,000 |
| 8 per cent Internal Loan, 1924..... | 81,026,000 |
| Peasant Loan of 1924..... | 7,596,000 |
| 5 per cent Short Term Loan..... | 201,000 |
| Second Peasant Loan..... | 78,675,000 |
| Second 8 per cent Loan..... | 13,357,000 |
| Short Term Treasury Bonds..... | 82,573,000 |
| Economic Reconstruction Loan..... | 224,430,000 |
| Total..... | 640,058,000 |

The New Lottery Loan

On September 3, 1926, the Presidium of the Central Executive Committee of the Soviet Union decided to float a new loan—the Lottery Loan of 1926, amounting to 30,000,000 rubles (\$15,450,000). The term of the loan is 5 years—from October 1, 1926, to October 1, 1931. The nominal value of the bonds is 100 rubles (\$51.50), their issue price being fixed at 96 rubles (\$49.44). There will be 20 lottery drawings, the sums distributed to the winners aggregating 41,580,000 rubles (\$21,400,000).

The New Income Tax in the Soviet Union

The Council of People's Commissars of the Soviet Union has recently adopted a new income tax law. The returns from the income tax are increasing from year to year. In the federal budget of 1922-23 they amounted to 12,700,000 rubles (\$6,500,000), in 1923-24 to 64,200,000 rubles (\$33,000,000), in 1924-25 to 100,000,000 rubles (\$51,500,000), and in 1925-26 to 130,000,000 rubles (\$66,900,000). According to the budget estimate for the fiscal year 1926-27 which began October 1, 1926, the income tax returns are expected to reach 165,000,000 rubles (\$84,970,000) in 1926-27.

The following groups are subject to taxation under the new income tax law: all persons gainfully occupied, all kinds of joint stock and limited liability companies, as well as foreign companies which are permitted to do business on the territory of the Soviet Union.

These persons and enterprises will be subject to the income tax if their income exceeds a certain minimum. The non-taxable minimum varies from 600 to 1,200 rubles (\$309 to \$618), according to locality.

Taxpayers are divided into three groups: persons working for wages or salary; persons working for their own account, and persons not engaged in any gainful occupation. The rate of taxation varies according to group, the relative burden of taxation being expressed by the proportion of 1:3:4.

On an average the rates of the second group have been increased by 5 per cent, and those of the third group by 32 per cent.

Activities of "Aviakhim"

CONSTITUTED through the merging of two different organizations, the Society of the Friends of the Airfleet, and the Society of the Friends of Chemical Defence and Industry, the "Aviakhim" has, in the course of the three years since its establishment, become one of the strongest organizations of the Soviet Union. It has branches in all autonomous republics and areas, as well as in all provinces and districts, and consists of 34,000 local organizations with two million members.

From the Tsarist system the Soviet Union had taken over very little in the field of aviation and chemistry: a tiny air fleet with old and worthless units, and extremely scanty military chemical equipment. The only field in which the Soviet Union inherited some really valuable treasures from old Russia, was the field of chemical and aeronautical science which brought forward a number of prominent names, such as Prof. N. E.

Zhukovsky, the Academician V. N. Ipatiev, and others.

The constructive activities of Soviet aviation are being greatly enhanced by the following institutions: The Central Aerohydrodynamical Institute, the Scientific Automotor Institute, the Military Aeronautical Academy, the Moscow Higher Technical School, the Lomonossov Institute, and a number of polytechnical institutes with sections for aviation. They have all brought forth a number of workers of whom the country may be proud. The most prominent scientific authorities and a number of engineers are engaged in the working out of new types of motors and airplanes.

The year 1924 witnessed the appearance of two original Soviet airplanes of the passenger type: the five-seat monoplane "AKI," constructed by the engineer Alexandrov, and the four-seat metal monoplane "ANT2," constructed by the engineer Tupolev. The first airplane stood successfully its test in the Moscow-China flight of 1925; the second one was the first metal airplane of Soviet manufacture constructed in the U. S. S. R. This airplane earned general recognition, as a brilliant achievement, having laid the basis for Soviet metal airplane construction.

The year 1925 was particularly rich in new achievements. Quite a number of airplanes of new designs were turned out by Soviet factories: the four-seater "PLI," constructed by the engineer Grigorovich, the five-seater "KI," designed by engineer Kalinin, which was acquired by the Volunteer Airfleet ("Dobroflot") for commercial aviation, and the six and eight-seaters "PMI," designed by engineers of the "Aviakhim" factory, as well as other models.

A number of very remarkable and difficult undertakings organized by "Aviakhim" bear witness to the great experimental work which is now being carried on and which is paving the way for new applications of aviation and chemistry. Flights from Turkestan to Afghanistan (1924), from Moscow to Mongolia, China and Japan (1925), the recent record flight from Moscow to Omsk, the 1926 flights to the Near East and to Western Europe; expeditions to Novaya Zemla to assist the scientific activities of the hydrographical expedition; the exploration flights between Irkutsk and Turukhansk with an eye to the establishment of an air line connecting the great Siberian railway trunk line with the fur regions of Northern Siberia; an expedition to the shores of the Kara Sea and assistance to the hunting expeditions of the Soviet Merchant Fleet; chemico-aeronautical expeditions to the Northern Caucasus in 1925 and to Daghestan (Northeastern Caucasus) in 1926, to combat an invasion of locusts; similar campaigns against forest pests in the Nizhni Novgorod Province; a network of experimental stations for the application of chemical

fertilizers which are to provide a double crop for the country; air lines from Moscow to Tiflis, from Moscow to Koenigsberg, from Bokhara to Termez and Dushembe, from Bokhara to Khiva, from Verkhneudinsk to Ulan-Bator (Mongolia, Urga); exploration flights for new routes of possible air communication—these are the activities carried on through the "Aviakhim" and special organizations such as "Dobrolot" (Voluntary Airfleet), "Ukrvozdrukput" (Ukrainian Air Line), etc.

The air sport in the Soviet Union has become accessible to workers' circles. Original constructions of airplanes with low power motors of 20 to 40 HP ("avio-motorcycles"), three All-Union glider contests in 1923, 1924 and 1925, participation in international glider contests last year, finally numerous local contests among various airplane models—all this testifies to the great interest of the population in the development of aviation, and assures a continuous supply of new pilots and mechanics.

The voluntary activity of the masses organized in the "Aviakhim" Society has found its best expression in the construction of one hundred and fifty airplanes, in the erection of numerous aerodromes, hangars and other structures, as well as in the continuous assistance rendered to scientific and industrial establishments devoted to aviation and chemical development.

Progress of Soviet Press

THE cultural growth of the Soviet Union is best reflected in the growth of the Soviet press and the steady penetration of newspapers and books into the rural regions.

Two years ago the slogan was launched: "Let there be one paper for every ten farms." This aim was attained last year when the circulation of the peasant papers reached 2,140,000 copies, while the number of farms was 22,000,000. In 1926 the circulation of peasant papers rose to 3,000,000 copies.

The growth of the Soviet press during the past year is shown by the following table:

| | Number of Papers | Circulation |
|-----------------------|---------------------|-------------|
| January 1, 1925..... | 579 | 6,956,098 |
| April 1, 1925..... | 595 | 7,730,251 |
| August 1, 1925..... | 595 | 7,284,240 |
| October 1, 1925..... | 597 | 7,062,131 |
| January 1, 1926..... | 591 | 7,995,324 |
| February 1, 1926..... | 599 | 8,281,820 |

Before the war the Russian press never even dreamt of so large a circulation. The total circulation of all the papers before the war amounted to 2,760,000 copies. Thus the Soviet press has three times as many readers as the pre-war press. This is an obvious indication of the cultural progress of the masses of the Soviet Union, as the

bulk of the press is edited with an eye to the needs of the masses and not merely for the intelligentsia. This is evidenced by the fact that the leading political and economic papers have a total circulation of one million copies only out of an aggregate circulation of 8,200,000.

The general situation of the Soviet press is best characterized by the following table:

Number of Papers

| | Febr. 1, 1925 | Oct. 1, 1925 | Febr. 1, 1926 |
|-------------------------|------------------|-----------------|------------------|
| Peasant Papers..... | 140 | 143 | 131 |
| Workers Papers..... | 55 | 54 | 58 |
| Leading Papers..... | 16 | 15 | 8 |
| Trade Union Papers..... | 21 | 18 | 17 |
| Non-Russian Papers..... | 139 | 170 | 190 |
| Communist Youth..... | 73 | 59 | 53 |
| Cooperative..... | 16 | 16 | ..... |
| Army..... | 16 | 19 | 15 |
| Economic..... | ..... | ..... | 21 |
| Other..... | 110 | 103 | 106 |

Circulation

| | Febr. 1, 1925 | Oct. 1, 1925 | Febr. 1, 1926 |
|-------------------------|------------------|-----------------|------------------|
| Peasant Papers..... | 1,489,137 | 1,677,930 | 1,913,000 |
| Workers Papers..... | 1,031,655 | 1,037,048 | 1,276,810 |
| Leading Papers..... | 1,034,392 | 842,369 | 1,309,232 |
| Trade Union Papers..... | 748,040 | 705,980 | 870,500 |
| Non-Russian Papers..... | 648,590 | 673,371 | 928,943 |
| Communist Youth..... | 519,655 | 466,583 | 471,453 |
| Cooperative..... | 55,345 | 70,322 | ..... |
| Army..... | 91,800 | 100,450 | 95,980 |
| Economic..... | ..... | ..... | 189,400 |
| Other..... | 1,732,649 | 1,488,078 | 1,226,502 |

The reduction of the number of leading papers was brought about not by the discontinuance of any of them, but by the change of their character and by their transference to the group of "workers" or "other" papers. The latter group ("other") includes so-called "mixed" papers, that is, such papers which simultaneously appeal to the worker and peasant reader. This is the prevailing type of provincial papers which are usually published by the Provincial Executive Committee (local government), by the Provincial Committee of the Communist Party, or by the Provincial Council of Trades Unions. In this category are also included all evening papers and those special papers (cooperative publications and organs of various government departments) which cannot be referred to any particular group.

The Moscow and Leningrad papers have, of course, the largest circulation. According to data of January 1, 1926, the total circulation of 70 Moscow and Leningrad papers amounted to 4,626,374 as against a circulation of 3,368,950 copies of 521 provincial papers.

The fact that Moscow and Leningrad occupy such an important place in the publishing of papers does not mean, however, that the papers published there are destined only for the popula-

tion of the large industrial centers. The distribution of the papers from the center is well organized, and the *Moscow Peasant Gazette* (*Krestyanskaya Gazeta*) alone has a circulation which is larger than the aggregate circulation of all the other 130 peasant papers taken together.

The rapid growth of the non-Russian press shows that the newspaper has begun to penetrate even into the backward non-Russian villages which before the Revolution hardly ever heard of the existence of such a thing as a newspaper. At the present time there is not a single autonomous republic or area that would not publish papers in the languages of the main nationalities inhabiting it. Of the 170 non-Russian papers in existence on October 1, 1925, 19 were leading political papers, 80 were peasant papers, 17 were papers for workers, 37 for Communist youth, women and Red Army soldiers, 17 of a mixed type. Thus, the largest number of papers was published for the peasant population. The circulation of these peasant papers (in non-Russian languages) shows a considerable growth—from 61,840 copies on April 1, 1924, to 317,198 copies on October 1, 1925.

In addition to the above-mentioned 170 non-Russian newspapers there are in existence 80 magazines in non-Russian languages, devoted to political matters and public affairs, to party matters, pedagogical questions, etc.

Publishing Activities in the U. S. S. R.

THE Central Book Chamber, the chief scientific bibliographical institution of Soviet Russia proper, published recently figures concerning book publishing in 1925.

According to these figures the output of books for 1925 increased by 60 to 70 per cent as compared with 1924, the number of books, i. e., separate titles, issued in 1925 amounting to 36,416. The magnitude of this figure may be judged by comparing it with pre-war data. Thus in 1912 the book output of the entire Russian Empire reached its maximum of 34,630 books (titles). The number of copies printed has also greatly increased, reaching 242,035,804, as compared with 133,561,886 in 1912. The number of "sheets" (one "sheet" means, in Russian, sixteen large book pages with an aggregate of 50,000 letters or about 8,000 words) was twice as large as before the war.

The first place among the publishers of these books is occupied by the various government departments—44.9 per cent of the entire output. Next come the State publishing houses—15.3 per cent; the Party publishing houses—12.8 per cent; private publishing houses—8.3 per cent; trade union publications—7.8 per cent; cooperative publishing houses—5.3 per cent. The balance was

published by various organizations, not specially classified.

As compared with 1924, the State and Party publishing houses have increased their share in the total output, while the proportionate share of the various government departments and the private publishing houses was reduced, although in quantity their output shows an increase of 25 per cent.

Moscow and Leningrad occupy an exceptional position in the publishing activities of the country. Half of all the book material issued in Soviet Russia is published in Moscow, and about a quarter in Leningrad. Thus only a quarter of the entire book output is brought out in the provinces.

A considerable increase was noticed in the proportion of textbooks for first grade and vocational schools, etc., as well as of literature for children. The percentage of scientific works decreased somewhat.

As regards the number of books published, the first place is occupied by social sciences—45.2 per cent of the total output; next come applied sciences—21.2 per cent; fiction and belles-lettres—11.2 per cent; exact sciences—6.3 per cent.

Translations, mostly fiction, are published chiefly by private publishers—they constitute 26.1 per cent of the output of these publishing houses; next come translations published by the State—10.3 per cent. Other classes of publishing houses pay little attention to translations, the latter constituting less than 10 per cent of their output. Last place in this respect is occupied by Party publishing houses with 3.2 per cent. In general, the overwhelming majority (94.5 per cent) of books published in the Russian language consists of original publications.

It must be noted that in 1925 33.6 per cent of the entire book output was adapted to the needs of readers who have had elementary schooling only. A comparison of the size of the published books with the number of copies printed—the size having decreased and the circulation increased—shows that the attention of publishers, mainly of State publishing houses, has been turned towards the production of books for mass circulation.

Non-Russian Books

Noteworthy is the progress achieved in the publication of books for the non-Russian nationalities. In 1923 the number of various titles was 1,511; in 1924—2,379, and 3,034 during the first nine months of 1925. The total number of copies printed was 8,312,035 in 1923; 16,561,761 in 1924, and 25,403,460 during the first nine months of 1925. The average number of pages per book (taking as an average 500 words per page) was 95 in 1923; 79 in 1924, and 62 in 1925.

The books (non-Russian) issued in 1925 were divided as follows, according to subjects: Peasant

literature—777 titles with a circulation of 5,850,000 copies; politics, economics and public affairs—662 titles with a total circulation of 3,894,750 copies; school and textbooks—486 titles with a circulation of 8,767,910 copies; party literature—202 titles with 1,683,500 copies, etc.

The publishing of peasant literature shows

great progress in every respect. While in 1924 the circulation of books for peasants did not exceed 10,000 to 12,000 copies per title, it reached 50,000 copies in 1925. At the same time the average price was reduced from 10 or 12 kopecks (5 or 6 cents) per 16 pages (8,000 words) to 5 or 6 kopecks ($2\frac{1}{2}$ or 3 cents).

Foreign Relations of the Soviet Union

IN connection with the situation on the Chinese Eastern Railway Mr. Tchitcherin, People's Commissar for Foreign Affairs of the Soviet Union, sent, September 7, 1926, the following note to Mr. Chen-Yen-Shi, Charge d'Affaires of the Chinese Republic in Moscow:

"I have the honor to ask you to bring the following to the cognizance of the Government of the Chinese Republic.

"In spite of the express warning addressed to the Chinese Government in the note of the Soviet Government of August 31, 1926, on occasion of the unwarranted demands submitted to the managing board of the Chinese Eastern Railway by the authorities of the three eastern provinces of China concerning the surrender of the ships of the Chinese Eastern Railway to the aforesaid authorities, and concerning the liquidation of the Educational Department of the Chinese Eastern Railway, the Government of the Soviet Union has not only not received any proper reply from the Chinese Government, but is in possession of information concerning further unwarranted actions of the authorities of the three eastern provinces of China.

"According to this information, the Chinese authorities of Harbin, on September 2, forcibly seized all the ships and all such other property of the Chinese Eastern Railway as was used in connection with shipping; at the same time employees of the Chinese Eastern Railway were removed from the shipping establishments and other persons substituted in their place; the flag of the Chinese Eastern Railway was hauled down from the ships, the flag of the Chinese Navy Department being placed in its stead. On September 4, the same authorities committed a new illegal act in forcibly removing employees of the Chinese Eastern Railway from the premises of the Educational Department and by sealing the premises of that department.

"The Government of the Soviet Union states with indignation that the unprecedented actions of the local Chinese authorities constitute a gross violation of the mutual relations between the Soviet Union and the Chinese Republic, as established by Treaty, and are also absolutely inadmis-

sible between countries entertaining normal diplomatic relations. The Government of the U. S. S. R. points out that the present Chinese Government cannot fail to realize that, by permitting such actions on the part of the authorities of the three eastern provinces, it is seriously jeopardizing the continuance of further normal diplomatic relations with the U. S. S. R., and thus all the responsibility for an impairment of the relations with the U. S. S. R. rests with the Chinese Government.

"The Soviet Government declares again that it is fully prepared to subject to a careful consideration all the questions at issue, resulting from the agreements existing between the two countries, and expects that the Chinese Government will without delay take steps for the immediate abrogation of the above mentioned violations of the rights of the Soviet Union and put an end to a situation which is liable to have the most unfavorable effect upon the further relations between the two countries.

"The Government of the Soviet Union is fully confident that, for the sake of safeguarding and further promoting normal mutual relations between the two countries, the Chinese Government will not delay its reply and will take the measures that are necessary for the liquidation of the conflict with the U. S. S. R.

G. TCHITCHERIN.

Moscow, September 7, 1926.

The Soviet Government and the Algeciras Act

In accordance with instructions from the Government of the Soviet Union, the diplomatic representatives of the Soviet Union in Sweden, Great Britain, Italy and France, each over his own signature, handed the following note to the government to which he is accredited:

"The Soviet Government has been informed that the Spanish Government has proposed to the signatory powers of the general act of the Algeciras Conference to call a new conference for the revision of the stipulations laid down by the general act and by the subsequent international conventions.

"Upon instructions of my Government I have the honor to call attention to the fact that the participation of my country in the Algeciras Conference entitles it, on an equal basis with the other participants of the Algeciras Conference, to take part in the above mentioned revision, in order to express its attitude towards the questions to be discussed, in accordance with the principles underlying its present policy.

"Pursuant to the above I have been authorized to declare in the name of my Government that it reserves for itself the right not to recognize such decisions on the above question as may be adopted without its participation. In particular my Government points out that it will be necessary to take up with it the question of the place of the forthcoming conference, should it be called."

The Soviet-Lithuanian Agreement

The following agreement was concluded on September 28, 1926, between the Soviet Union and the Lithuanian Republic:

The Central Executive Committee of the Union of Socialist Soviet Republics, on the one hand, and the President of the Lithuanian Republic on the other, being convinced that the interests of the peoples of the Union of Socialist Soviet Republics and of Lithuania demand a continuous collaboration based upon confidence, and with the object of contributing everything in their power towards the preservation of general peace, have agreed to conclude an agreement aiming at the development of the friendly relations existing between them, and have appointed for this purpose as their Plenipotentiaries:

The Central Executive Committee of the Union of Soviet Socialist Republics—George Tchitcherin, Member of the Central Executive Committee of the U. S. S. R. and People's Commissar for Foreign Affairs; and Sergey Aleksandrovsky, Plenipotentiary Representative of the U. S. S. R. in Lithuania;

The President of the Lithuanian Republic—Mikolas Slezevicius, Prime Minister, Minister of Justice and Acting Minister of Foreign Affairs of the Lithuanian Republic; and Jurgis Baltrusaitis, Envoy Extraordinary and Minister Plenipotentiary of the Lithuanian Republic,

Who, having met in Moscow and having examined their respective full powers, found to be in good and due form, have adopted the following decisions:

ARTICLE 1. The Peace Treaty between Russia and Lithuania, as concluded in Moscow on July 12, 1920, all of whose stipulations retain their full validity and inviolability, remains the basis of the relations between the U. S. S. R. and the Lithuanian Republic.

ARTICLE 2. The U. S. S. R. and the Lithuanian Republic mutually agree under all circumstances to respect each other's sovereignty and territorial integrity and inviolability.

ARTICLE 3. Each of the two contracting parties obligates itself to refrain from any aggressive actions whatsoever against the other party.

If, notwithstanding its peaceful attitude, one of the contracting parties were to be attacked by one or more outside powers, the other contracting party obliges itself not to aid that one or more outside powers in their struggle against the attacked contracting party.

ARTICLE 4. If there is a political agreement between outside powers which is directed against one of the contracting parties; or if in connection with conflicts, such as are mentioned in Article 3, Paragraph 2; or if at a time when neither of the contracting parties will be involved in an armed conflict, a combination will be formed among outside powers for the purpose of subjecting one of the contracting parties to an economic or financial boycott, the other contracting party is not to join such an agreement or such a combination.

ARTICLE 5. Should differences arise between them, the contracting parties agree to appoint conciliation commissions in case it will not be possible to adjust the differences through diplomatic means.

The composition of the aforementioned commissions, their rights and the procedure which they are to follow, will be determined by a special agreement to be worked out.

ARTICLE 6. The present agreement is subject to ratification which is to take place within six weeks from the date of its signing. The exchange of ratifications will take place in the City of Kaunas (Kovno). The agreement was drawn up in the Russian and in the Lithuanian languages. For purposes of interpretation both texts are to be considered authentic.

ARTICLE 7. The present agreement goes into force from the moment of the exchange of ratifications and will remain in force for five years, except for articles (1) and (2) of the present agreement, the term of whose validity is not limited.

The validity of the present agreement will be automatically extended every time for the period of one year, unless either of the contracting parties, at least six months in advance of the expiration of the term of the agreement, should express the desire to start negotiations as to the further form of the mutual political relations of the two countries.

In witness whereof, etc.
(Signatures and Seals.)

Note of Mr. G. Tchitcherin, People's Commissar for Foreign Affairs of the U. S. S. R. to Mr. M. Slezevicius, Prime Minister of Lithuania.

In connection with the agreement concluded between the U.S.S.R. and the Lithuanian Republic, which was signed today, I have the honor to bring the following to your cognizance:

Being constantly guided by the desire to see the Lithuanian, as well as all other peoples independent, as repeatedly declared by the U. S. S. R. in its statements, as well as in accordance with the note of the Soviet Government of April 5, 1923, addressed to the Polish Government, and in keeping with the sympathies aroused by the destinies of the Lithuanian people in the public opinion of the working population of the U. S. S. R., the Government of the Soviet Union declares that the actual violation of the Lithuanian frontiers which took place against the will of the Lithuanian people, has not shaken its attitude towards the territorial sovereignty as expressed in Article 2 and the note thereto, of the Peace Treaty between Russia and Lithuania of July 12, 1920.

G. TCHITCHERIN.

Moscow, September 28, 1926.

In his note of September 28, 1926, Mr. Slezevicius answered that the Lithuanian Government takes cognizance of the note of Mr. Tchitcherin.

Note of Mr. M. Slezevicius, Prime Minister of Lithuania, to Mr. G. Tchitcherin, People's Commissar for Foreign Affairs of the U. S. S. R.

In connection with the signing of the agreement between Lithuania and the U. S. S. R., effected today, I have the honor to state the following in the name of the Lithuanian Government:

1. Both Governments discussed the questions of principle connected with Lithuania's membership in the League of Nations. In this connection the Lithuanian Government, in its negotiations leading to the conclusion of the agreement and in the signing of it, was proceeding from the conviction that the principle of non-participation in possible political combinations of outside powers directed against either of the contracting parties, as established in Article 4 of the Agreement, cannot prejudice the observation of the obligations devolving on Lithuania from the constitution of the League of Nations.

2. The Lithuanian Government is convinced that Lithuania's membership in the League of Nations cannot be an obstacle to the friendly development of relations between Lithuania and the U. S. S. R.

3. Moreover, the Lithuanian Government is of the opinion that, considering the geographical situation of Lithuania, the obligations resulting for Lithuania from its membership in the League of Nations, which in accordance with its fundamental idea is called upon to adjust international controversies in a peaceful and just manner, cannot

prejudice the desire of the Lithuanian people to observe neutrality which is best suited to its vital interests.

M. SLEZEVICIUS.

Moscow, September 28.

In reply to the note of Mr. Slezevicius, Mr. Tchitcherin declared in his note of September 28, 1926, that the Government of the Soviet Union has taken cognizance thereof.

Soviet Diplomatic Representative in Mexico

The Presidium of the Central Executive Committee of the Soviet Union has relieved Mr. S. Pestkovsky from his post as diplomatic representative of the Soviet Union in Mexico, and has nominated in his stead Mrs. Alexandra Kollontai, formerly diplomatic representative of the U. S. S. R. in Norway.

Publications Received

AMERICAN TRADE AND INDUSTRY (in Russian), New York. September-October, 1926.

True to its announced program *American Trade and Industry* in its numbers 4 and 5 discusses some important aspects of American economic development during the post-war period.

We have read with special interest the thoughtful analytical study of recent development of this country's foreign trade and the concise illuminating accounts of changes in the wage level in the United States, of the growth and present position of the American radio industry and broad-casting and of fur ranching in North America. Other articles of contemporary interest noticed deal with the growth of national wealth, the problem of the oil supply in the United States and American cotton during the season 1925-26.

Considerable space is given to the discussion of trade opportunities in American markets of Russian specialties such as furs, wool, bristles, sausage casings, licorice root, lumber, etc., and in Russian markets of American export articles, such as cotton, automobiles, rosin, binder twine, etc.

Nor does the new journal restrict itself to the discussion of questions affecting trade relations merely between this country and the Soviet Union. The last two numbers contain also letters from Canada and Argentina, discussing the trade situation in these countries largely from the point of view of Soviet trading plans and interests.

The new numbers present a mass of actual and descriptive material on various aspects of Russian-American trade, about which very little has been written hitherto and should prove of practical helpfulness to all those who are interested in the promotion of trade between America and the Soviet Republic.

Miscellaneous News

The Nizhni-Novgorod Fair

The fifth Nizhni-Novgorod Fair which closed on September 15, 1926, took place under circumstances that were somewhat different from those of the preceding years. For the first time the total sales to, and total purchases from the Eastern countries were equally balanced.

The total turnover of the Fair amounted to 145,300,000 rubles (\$74,829,000), as against 152,000,000 rubles in 1925.

The transactions with the Eastern countries have grown considerably. In addition to Persia the following countries were represented at the Fair: Western China, Afghanistan, Mongolia and Turkey. The total turnover with the Eastern countries reached 29,018,000 rubles (\$14,944,000), as against 15,870,000 rubles during the preceding year. Last year the purchases exceeded the sales, the unfavorable balance amounting to 7,000,000 rubles (\$3,600,000), while this year the sales to the Eastern countries amounted to 14,863,000 rubles (\$7,654,000) which is an excess of 700,000 rubles (\$360,500) over the purchases which amounted to 14,155,000 rubles.

Rolling Stock of Soviet Railroads

On August 1, 1926 the number of locomotives of the entire railway system of the Soviet Union amounted to 18,837. Of this number 7,494 were in good condition. In the course of the year their number increased by 65 units. The number of passenger cars was 29,235 and that of freight cars 432,000.

Railroad Transport in August

In the course of August the average daily freight turnover of the Soviet Union's railways amounted to 24,866 cars, an increase of 6.4 per cent as compared with July.

Rural Electrification in the Soviet Union

The first rural electrical station was erected in Russia in 1906. Between 1906 and 1917 only 55 rural electrical stations were established.

The rapid growth of electrical construction dates since the first years of the Revolution. Between 1917 and 1924, 346 new rural electrical stations were erected and during 1924 alone 65 more were constructed.

The most important feature of the post-revolutionary electrical construction activity is the fact that the rural stations which are springing up every year, are increasing their power, and that they are being more and more operated to their full capacity, the electrical energy being used for threshing, for home industries and other rural

activities. The rapid growth of the number and of the capacity of the rural power stations, proves that in many localities the rural organizations have realized the economic advantages of electrification for the technical development of agriculture.

In the course of 1925-26 intensive electrical construction activities have been carried on in the rural districts. The five-year plan of the joint stock company "Elektroselstroy" provides for an expenditure of 251,000,000 gold rubles for the electrification of the most suitable rural regions of the Soviet Union.

Soviet Opium Monopoly

The Soviet Government has established a State monopoly for the gathering, working and marketing of opium. This measure, set forth in a decree of the Central Executive Committee and of the Council of People's Commissars of the U. S. S. R., aims at the satisfaction of the domestic opium requirements for medicinal purposes, and intends to strike at the clandestine opium trade and at opium smoking.

According to the estimates of the People's Commissariat for Health of Soviet Russia proper, the opium requirements of the entire Soviet Union amount to over 60,000 kilograms annually. The requirements for the new fiscal year, beginning October 1, 1926, will be 63,490 kilograms of opium with a 10 per cent morphine content.

The monopoly will be handled by a special joint stock company for the collecting and working of opium. The company was established two years ago and its stockholders are the People's Commissariat for Commerce, the Supreme Council of National Economy and the People's Commissariat for Health.

Investigations are being conducted in the Russian Far East with a view to determining the possibilities of an increase of the opium supply within the boundaries of the U. S. S. R. not only for the satisfaction of the domestic needs, but also for export purposes.

Status of Foreigners on Soviet Territory

On September 3, 1926, the Central Executive Committee and the Council of People's Commissars of the Soviet Union adopted the following decision:

1. Foreigners living on the territory of the U. S. S. R. are divided into two categories: (a) foreigners sojourning temporarily and (b) foreigners residing permanently in the U. S. S. R.

2. As foreigners residing permanently in the Union of Soviet Socialist Republics are consid-

ered those persons of foreign citizenship who are lawfully living in the U. S. S. R., and who, for not less than 18 months, have been engaged on the territory of the U. S. S. R. in industry, trade, handicrafts or similar activities which are not prohibited by the law.

NOTE. The above article does not apply to citizens of those countries in which the citizens of the U. S. S. R., notwithstanding their sojourn in those countries during a term stipulated by the legislation of those countries for the acquisition of permanent residence, are not recognized as residents.

3. All foreigners living on the territory of the Soviet Union who do not come up to the requirements of Art. 2 of the present decision are assumed to be temporarily sojourning.

Increase of Labor Wages

On September 21, 1926, the Special Commission on the Increase of Labor Wages reported to the Council of People's Commissars on the results of its activities. The Council of People's Commissars endorsed the report of the Commission which suggested a wage increase for the workers employed in the most backward branches of industry, viz., in the coal and ore mines, in the metal,

textile, chemical, china, glass and match industries, as well as for the railroad workers and the employees of the postal, telegraph and telephone system. The wage raise is to affect mainly those classes of workers whose wages are much lower than the general level of the labor wage in the given branch of industry. The percentage of the increase and the method of extending the increase to the lower strata of the workers is to be determined upon revision of the collective agreements in the various branches after the expiration of the old agreements.

At the same session the Council of People's Commissars decided to reduce the administrative expenses by not less than 15 per cent, this curtailment to affect chiefly the executive apparatus of the State industries, of the transport system, of the postal and telegraph system, etc.

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Progress of Soviet Electrification for 1925-26

PRELIMINARY data of the electric power supply statistics show that in the course of 1925-26 the electrical public service power stations produced about 1,500,000,000 kilowatt hours, as against 1,130,000,000 in 1924-25 and 690,000,000 kilowatt hours in 1913. The factory power installations which were registered by the Chief Electrical Administration, produced in 1925-26 about 1,400,000,000 kilowatt hours, as against 1,250,000,000 in 1913.

At present, the output of the public service power stations for general use somewhat exceeds the aggregate output of the factory power plants, while in 1913 the total energy produced by the public service power stations was about half that of the factory power plants. If it is borne in mind that a considerable part of the industry is at present obtaining its electrical energy from public

service power stations, and that nevertheless the aggregate energy produced by the factory power plants exceeds the pre-war total by 11 per cent, it appears that Soviet industry is at present electrified to a much larger degree than in 1913. Unfortunately no data are available on the output of the factory power plants in 1916, and for this reason it is not possible to compare the present situation of the electrical supply of the industries with that of the period immediately preceding the Revolution. However, the data for the public service stations are available. A comparison shows that the output of 1925-26 is 48 per cent above that of 1916.

The table below shows the output of electrical energy by the electrical stations of the various categories since 1913 until the end of the last fiscal year 1925-26 (millions of kilowatt-hours):

| | 1913 | 1916 | 1920-21 | 1921-22 | 1922-23 | 1923-24 | 1924-25 | 1925-26 |
|------------------------------|-------|-------------------|---------|---------|-------------------|---------|---------|---------|
| Public service stations..... | 690 | 975 | 370 | 575 | 905 | 898 | 1,132 | 1,446 |
| Including: | | | | | | | | |
| Moscow | 162 | 244 | 105 | 192 | 250 | 275 | 365 | 498 |
| Leningrad | 159 | 289 | 94 | 130 | 165 | 158 | 212 | 287 |
| Baku | 110 | 196 | 111 | 153 | 215 | 268 | 286 | 312 |
| Other local stations..... | 259 | 246 | 60 | 100 | 275 | 196 | 266 | 323 |
| Factory power plants..... | 1,255 | no data available | | | no data available | | | 1,400 |
| Total | 1,945 | 975 | 370 | 575 | 905 | 898 | 1,132 | 2,846 |

As compared with 1924-25, the output of electrical power for 1925-26 shows an increase of 28 per cent, while in 1924-25 the increase was 26 per cent, as compared with 1923-24.

The increase of the consumption of electrical energy in Moscow, Leningrad and many other large cities was lately artificially arrested by the fact that the rate of development of Soviet electrical construction work has remained behind the requirements which are growing continuously.

In 1917 the total capacity of the public service stations amounted to about 400,000 kilowatts, while the capacity of the other stations (mostly factory plants) was 1,000,000 kilowatts. The capacity of the newly constructed public service stations and the capacity that was added by extending the large power stations of Moscow, Leningrad and Baku, aggregated 243,000 kilowatts at the beginning of the fiscal year 1926-27, i. e., in the fall of 1926. Moreover, large public service stations with a capacity of 420,000 kilowatts are in the process of construction and extension. This figure is larger than the capacity of all the public service stations before the Revolution (1917). In this number are not included the local stations

which are not of federal scope. If these are included, the capacity of the stations in the process of construction may be accepted as 450,000 kilowatts.

Prior to the Revolution the construction of electrical supply stations was being conducted without any guiding principle. The stations erected since the establishment of the Soviet Republic were practically without exception calculated to make use of the local power resources.

In the course of the last few years the problem of economical peat combustion was solved by Soviet engineers without outside help, and a great number of large stations operated on peat fuel were erected. The Shatura station in the Moscow region, whose total capacity is at present 32,000 kilowatts, will have a capacity of 48,000 kilowatts by the middle of the current fiscal year 1926-27 (i. e., in the spring of 1927) and its final capacity will be 128,000 kilowatts. Even now the Shatura station is the best equipped and largest peat-fuel station in the world.

The problem of economical combustion of the coal mined in the Moscow region was solved by the Kashira electric power station, while in the

Leningrad region the first large water power station (56,000 kilowatts) was erected on the Volkhov River.

Power Stations Opened in 1925-26

The following large electrical power stations started their operation in 1925-26: The Shatura station, operated on peat fuel, with a capacity of 32,000 kilowatts, which is supplying Moscow. The Nizhni-Novgorod station, likewise operated on peat fuel, with a capacity of 20,000 kilowatts. This station has not been opened as yet officially, and is at present being operated experimentally; the Shterow station in the Donetz Coal Basin, operated on anthracite dust, with a capacity of 20,000 kilowatts; its trial operation has been started recently; the Rykov hydroelectric station at Erivan (Armenia), with 2,000 kilowatts, and the Tashkent hydroelectric station with 2,200 kilowatts. Altogether five new stations with an aggregate capacity of 76,200 kilowatts.

Furthermore, a new turbo-generator with a capacity of 16,000 kilowatts, was installed on the R. E. Klasson (formerly "Elektroperedacha") power station in Moscow, and the "Krasny Oktiabr" (Red October) Station of Leningrad was provided with a new generator of 10,000 kilowatts capacity. Both stations are operated on peat fuel. If the enlargements amounting to 26,000 kilowatts are added to the new plants with the present capacity of 76,200 kilowatts, the increase of the power supply for the U. S. S. R. during 1925-26 presents a total of 102,200 kilowatts for the large public service stations alone.

Stations to be Completed in 1926-27

The following stations were nearing completion at the end of the past fiscal year and will be (or have been) started during the first quarter of the fiscal year 1926-27, which began on October 1, 1926: The Volkhov River hydroelectric plant ("Volkhovstroy") with a capacity of 56,000 kilowatts, which was finally completed and opened on November 16, 1926, the cost of its construction which started eight years ago having been about \$35,000,000; the Zemo-Avchal hydroelectric station on the Kura River, near Tiflis, in Georgia, with a capacity of 13,000 kilowatts; the Sverdlovsk (Ekaterinburg) station in the Urals, operated on peat fuel, with a capacity of 6,000 kilowatts, and the Liapinsk power station (peat fuel) with a capacity of 5,000 kilowatts, for the city of Yaroslavl—altogether four stations with an aggregate capacity of 80,000 kilowatts.

In addition to the stations listed above the following stations were being constructed and extended in 1925-26: The Shakhtnaya station, with a capacity of 40,000 kilowatts, operated on anthracite dust, which is to supply Rostov-on-Don with electric energy; the Kharkov station, oper-

ated on coal fuel, with a capacity of 40,000 kilowatts; the Kiev station, operated on coal, with a capacity of 20,000 kilowatts, and the Saratov station, operated on coal fuel, with a capacity of 10,000 kilowatts. Preparations were being made for the extension of the following stations: The Kashira station, operated on coal fuel, which supplies Moscow, is to be enlarged by 20,000 kilowatts; the Shatura station, present capacity 32,000 kilowatts, which supplies Moscow and is operated on peat fuel, by 56,000 kilowatts; out of these latter 16,000 will start to operate early in 1927; the "Krasny Oktiabr" (Red October) in Leningrad, on peat fuel, by 40,000 kilowatts; the First Leningrad City Station, by 30,000 kilowatts, to begin operations on the extended scale in 1927; the First Moscow Station, by 32,000 kilowatts; the Baku station, by 17,500 kilowatts, to begin operations on the extended scale in 1927. Altogether, installations for 305,500 kilowatts were in the process of construction and extension, in addition to those that have already started operations, or are going to start them during the first quarter of 1926-27.

In 1925-26 large electric construction activities were being conducted not only on public service stations but also on factory power plants. For the first time in the Soviet Union a number of stations were being constructed for the utilization of the steam previously used in the process of production of the enterprise in question—a way of obtaining cheap electric energy to be transmitted to the general electric power system. The most interesting among these constructions is the erection of an electric plant for one of the textile enterprises in Moscow.

Hydroelectric Stations

During the past year much work was carried out in elaborating projects for large hydroelectric plants. First of all mention should be made of the project of the giant hydroelectric plant on the Dnieper River in the Ukraine ("Dnieprostroy") with an initial capacity of 210,000 kilowatts, to be constructed at the cost of about \$60,000,000. Last summer the project was minutely examined by the best American specialists. The American experts concurred with the Soviet engineers in their opinion as to the tremendous importance of the Dnieper plant for the economic life of the Soviet Union as a whole. They endorsed the selection of the place on which the station is to be erected, and confirmed the accuracy of the vast surveys upon which the project was based. As soon as the study of the experts' report is completed and the plans elaborated for the construction of the enterprises that are to be the consumers of the energy of that gigantic power plant, it is intended to start the building of the station.

Another project has likewise been completed—

that of the water power stations on the Svir River to supply Leningrad with electric energy. Of the two planned stations, that with a capacity of about 80,000 kilowatts, is to be erected first. Simultaneously another project has been brought forward, which suggests the construction of a water power station on the Neva River itself, and a decision is expected in the near future as to which of these two projects, the Svir or the Neva River project, is to be carried out first. Its great importance for the river traffic on the Svir river speaks in favor of the first project, while its proximity to Leningrad speaks in favor of the other project. The cost of construction is estimated at 70,000,000 rubles (\$36,000,000).

Railway Electrification

Electrification of the Soviet railways showed marked progress in the course of 1925-26. Construction work for the electrification of the Moscow suburban railways was started during the year, and the Sabunchi railroad, in Baku, the first electric railway in the Soviet Union started its operation.

Electrification of Soviet Agriculture in 1926-27

The People's Commissariat for Agriculture has worked out an agricultural electrification plan for the new fiscal year. The amount of 13,500,000 rubles (\$6,950,000) is to be spent for the purpose of electrifying 400 rural settlements with a total of 63,000 farms. It is intended to apply electrical power to the industrial enterprises connected with agriculture, such as flour mills, dairies, starch factories, shops using machinery. Preparatory activities tending towards the electrification of land tilling will also be started. The electrification activities will be carried on through the joint efforts of the agricultural cooperatives and other agricultural organizations. The population and the organizations are to contribute about one-third of the expenditures for electrification, while the balance will be procured through the system of agricultural credits.

Appropriations for Electrification in 1926-27

The Presidium of the Supreme Council of National Economy of the Soviet Union has decided to appropriate 90,000,000 rubles (\$46,350,000) from the federal budget for the electrification of the Soviet Union during the fiscal year 1926-27, beginning October 1, 1926.

The next issue will appear on January 1, 1927. Beginning with 1927 the magazine will be published monthly under the name of "SOVIET UNION REVIEW"

Soviet-American Trade in 1925-26

AMERICAN imports from the Soviet Union for the Soviet fiscal year 1925-26 ending September 30, 1926, as reported by the American-Soviet trading organizations in the United States, were about \$20,000,000, a record breaking figure. The figure does not include imports of manganese which are not handled by the trading organizations. During the previous year the trading companies reported imports of \$16,679,635, also exclusive of manganese.

Exports to the Soviet Union were close to \$55,000,000, exclusive of exports by the Harriman Georgian Manganese Company and other concessionaries. The figure compares with exports of \$87,088,022 reported by the trading companies in 1924-25. The American imports increased about 25 per cent; exports decreased about 37 per cent, as compared with 1924-25.

The trade turnover of \$75,000,000 compares with \$108,000,000 in 1924-25. This difference is accounted for by a decrease in 25 per cent in the cotton purchases here and by the fact that during 1924-25 American exports were increased by Soviet purchases of flour worth \$21,000,000, necessitated by the poor harvest of 1924.

Cotton valued at \$33,486,000 led the list of American exports to the Soviet Union, followed by agricultural machinery \$8,038,000 (including tractors worth \$6,099,238), industrial machinery \$6,819,300, materials for transport, including trucks and motor buses, \$2,295,400, non-ferrous metals \$2,034,400. American typewriters to the value of \$558,432 were exported.

Furs valued at \$15,379,000 led the import list. Imports of flax and tow jumped to \$1,175,904, as compared with \$335,000 the previous year. Other imports included sheep casings \$1,070,517, licorice root \$590,725, bristles \$539,396, hides and skins \$467,334, mushrooms, \$154,763.

The Amtorg Trading Corporation of New York, which represents the trading bureaus of several of the republics of the Soviet Union and most of the large Soviet syndicates, has published the following tables showing the figures of the exports and imports transacted during the fiscal year 1925-26 between the Soviet Union and the United States, through the Amtorg Trading Corporation, the All-Union Textile Syndicate, Centrosoyuz-America Inc., Selskosojus-America, Inc., and the Eitingon-Schild Company, all with offices in New York. The first table shows the annual exports from the United States to the Soviet Union for the Soviet fiscal year, October 1, 1925, to September 30, 1926, giving detailed figures for the various groups of export items, such as raw materials, semi-manufactured products, industrial equipment, electrical construction, transport, agricul-

ture, public health needs, cultural-educational needs, and articles of general consumption. The second table shows the annual imports from the Soviet Union to the United States during the Soviet fiscal year 1925-26, giving detailed figures for raw materials, fibres, botanical drugs and chemicals, lumber, foodstuffs, handicraft work, minerals, construction materials and furs.

Exports from the U. S. A. to the Soviet Union

Raw Material

| | |
|----------------------------------|------------------------|
| Cotton | \$33,486,126.23 |
| Glue | 6,223.97 |
| Non-Ferrous Metals | 2,034,417.13 |
| Cocoa Beans | 4,388.50 |
| Lumber, Special Selections | 2,342.00 |
| Graphite | 376.04 |
| Total | \$35,533,873.87 |

Semi-Manufactured Products

| | |
|---|---------------------|
| Dyestuffs | \$137,986.33 |
| Sundry Chemicals | 3,763.64 |
| Paper | 4,584.64 |
| Finished Leather | 136,831.08 |
| Celluloid | 2,193.97 |
| Wire, special brands | 4,527.06 |
| Rosin | 373,657.91 |
| Paraffine Wax | 53,720.31 |
| Gums | 759.27 |
| Packing and Bookbinder Card-Board | 2,747.73 |
| Whetstones, Carborundum, etc. | 56,598.11 |
| Tallow | 145.44 |
| Leather Belting | 6,724.24 |
| Total | \$784,239.73 |

Industrial Equipment

| | |
|---|-----------------------|
| Metal Industry | \$726,382.35 |
| Mining Industry | 3,347,382.38 |
| Oil Industry | 1,475,370.63 |
| Textile Industry | 197,546.15 |
| Electrotechnical Industry | 73,814.78 |
| Radio Industry | 14,975.97 |
| Polygraphic Industry | 69,889.69 |
| Chemical Industry | 5,021.40 |
| Food Industry | 4,525.30 |
| Silicate Industry | 419,867.08 |
| Shoe and Leather Industry | 8,441.40 |
| Needle Industry | 27,667.52 |
| Saw Mill Industry | 3,614.87 |
| Building Industry | 16,061.53 |
| Tobacco Industry | 1,404.00 |
| Artisan and Handicraft Industry | 4,121.00 |
| Fish and Hunting Industry | 147,153.23 |
| Post and Telegraph Industry | 10,639.66 |
| Municipal Construction | 78,159.78 |
| Grain Elevator and Refrigerators | 87,686.13 |
| Fine Instruments (including measuring instruments and meters) | 99,557.88 |
| Total | \$6,819,282.23 |

Public Health Needs

| | |
|------------------------------|-------------------|
| Medicines | \$173.68 |
| Crude Pharmaceuticals | 2,182.40 |
| Laboratory Instruments | 1,662.15 |
| Total | \$4,018.23 |

Transport

| | |
|---|-----------------------|
| Automobiles | \$91,239.34 |
| Trucks | 13,269.00 |
| Autobuses | 2,630.50 |
| Motorcycles | 39,241.75 |
| Air-Transport, also Internal Combustion Engines and Parts | 1,513,079.23 |
| Water Transport | 52,714.13 |
| Spare Parts | 583,210.66 |
| Total | \$2,295,384.61 |

Agriculture

| | |
|--|-----------------------|
| Agricultural Machines and Implements | \$1,425,718.98 |
| Parts of Agricultural Machines | 471,225.93 |
| Tractors and Tractor Equipment | 6,099,238.27 |
| Binder Twine | 184,358.70 |
| Seeds | 6,062.76 |
| Plants | 703.16 |
| Insecticides | 39,836.61 |
| Sheep and Rams | 103,000.00 |
| Repair Shop Equipment | 84,698.14 |
| Agricultural and Veterinary Laboratory Equipment | 1,024.99 |
| Total | \$8,415,867.54 |

Electrical Construction

| | |
|------------------------------|------------|
| Exploitation Equipment | \$4,203.97 |
|------------------------------|------------|

Cultural—Educational Needs

| | |
|---|--------------------|
| Sundry Materials and Equipment for Commissariat for Education | \$11,859.89 |
| Cinema Appurtenances | 3,801.02 |
| Photo Appurtenances | 4,330.90 |
| Books and Technical Catalogs | 16,526.99 |
| Total | \$36,518.80 |

Articles of General Consumption

| | |
|---|------------------------|
| Meats | \$347.03 |
| Preservatives | 1,969.36 |
| Coffee | 801.00 |
| Hand Tools | 13,880.35 |
| Textile Goods | 344,955.71 |
| Stationery | 12,028.53 |
| Pencils | 13,221.29 |
| Steel Points | 2,415.76 |
| Typewriters | 558,431.91 |
| Calculating Machines | 3,889.45 |
| Bookkeeping Machines | 8,065.00 |
| Window Glass Sheets | 314.00 |
| Electrical Bulbs and Installation Material | 22,664.16 |
| Portable Houses | 16,826.36 |
| Laundry Equipment | 2,812.43 |
| Sundry Articles of General Consumption | 33,741.50 |
| Sundry Samples | 1,650.51 |
| Total | \$1,038,014.35 |
| Total Exports from U.S.A. to U.S.S.R. | \$54,931,403.33 |

Imports from Soviet Union to U. S. A.

Raw Materials

| | |
|-------------------------|-----------------------|
| Furs | \$7,379,326.32 |
| Bristles | 539,396.19 |
| Sheep Casings | 1,070,517.85 |
| Hides and Skins | 467,334.49 |
| Goat Hair | 8,273.74 |
| Carpet Wool | 97,397.93 |
| Deer Hair | 2,649.96 |
| Down and Feathers | 11,155.70 |
| Horse Hair | 12,991.70 |
| Total | \$9,589,043.88 |

Fibres

| | |
|-------------------|----------------|
| Flax and Tow..... | \$1,175,904.02 |
| Tarred Oakum..... | 39,561.42 |
| Linens..... | 3.04 |
| Rags..... | 109,964.70 |
| Hemp..... | 323.50 |
| Linen Crash..... | 1,018.32 |
| | <hr/> |
| | \$1,826,775.00 |

Botanical Drugs and Chemicals

| | |
|-----------------------|--------------|
| Ant Eggs..... | \$861.12 |
| Coreander Seed..... | 10,685.20 |
| Lycopodium..... | 5,470.45 |
| Medical Roots..... | 441.65 |
| Dandelion Roots..... | 3.12 |
| Mustard Seed..... | 3,044.75 |
| Pine Needle Oil..... | 4,714.42 |
| Sugar Beet Seeds..... | 2,690.80 |
| Ichthyol..... | 198.00 |
| Poke Root..... | 541.07 |
| Licorice Root..... | 590,724.77 |
| Tar..... | 3,708.32 |
| Cantharides..... | 2,951.00 |
| Birch Tar..... | 118.05 |
| | <hr/> |
| | \$626,152.72 |

Lumber

| | |
|------------------------|-------------|
| Logs..... | \$2,984.67 |
| Circassian Walnut..... | 11,804.70 |
| Boards..... | 708.01 |
| | <hr/> |
| | \$15,497.38 |

Foodstuffs

| | |
|-----------------------------|--------------|
| Caviar..... | \$89,544.62 |
| Fish Products..... | 41,566.06 |
| Crabmeat..... | 66,009.27 |
| Frozen Fish..... | 11,077.92 |
| Mushrooms..... | 154,762.78 |
| Siberian Butter..... | 20,593.91 |
| Poultry..... | 2,623.29 |
| Fish..... | 21,709.64 |
| Nuts..... | 80,566.70 |
| Nut Kernels..... | 404.38 |
| Green Peas..... | 199.15 |
| Tobacco and Cigarettes..... | 3.80 |
| Miscellaneous..... | 786.28 |
| | <hr/> |
| | \$489,847.60 |

Handicraft Work

| | |
|----------------|------------|
| Art Goods..... | \$8,222.85 |
| Toys..... | 327.22 |
| | <hr/> |
| | \$8,550.07 |

Minerals

| | |
|---------------|------------|
| Minerals..... | \$872.60 |
| Mica..... | 224.25 |
| | <hr/> |
| | \$1,096.85 |

Construction Materials

| | |
|-------------|-----------------|
| Cement..... | \$1,913.65 |
| | <hr/> |
| Total..... | \$12,058,877.15 |

In addition, during this period Eitingon Shild Co. sold in U. S. A. furs imported from U. S. S. R. to the amount of..... \$8,000,000.00

Total Imports from U.S.S.R. to U.S.A. \$20,058,877.15

The above import figures of the trading organizations do not include the American imports of manganese ores. These manganese imports were handled by the Harriman Georgian Manganese Company, an American concessionaire enterprise operating the Transcaucasian manganese mines.

Soviet Foreign Trade in 1925-26

THE foreign trade of the U.S.S.R. for the first eleven months of the fiscal year 1925-26, beginning October, 1925 (across the European frontier), was distributed as follows among the various countries according to the data of Soviet customs statistics:

Soviet Exports and Imports in Millions of Dollars

| | Oct.-Aug., 1925-26 | | Oct.-Aug., 1924-25 | |
|----------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Exports from U.S.S.R. | Imports to U.S.S.R. | Exports from U.S.S.R. | Imports to U.S.S.R. |
| Australia..... | | 8.3 | | 14.3 |
| England..... | 88.7 | 60.35 | 82.7 | 51.1 |
| Belgium..... | 9.3 | .97 | 9.1 | 1.4 |
| Germany..... | 51.8 | 83.5 | 38.4 | 45.1 |
| Holland..... | 9.5 | 3.3 | 9.1 | 16.6 |
| Denmark..... | 5.1 | .9 | 6.2 | .8 |
| Egypt..... | 1.2 | 13.7 | 7.9 | 11.7 |
| Italy..... | 15.6 | 11.9 | 5.97 | 2.1 |
| Latvia..... | 31.1 | 2.2 | 30.3 | 1.2 |
| Poland..... | 1.5 | 3.8 | 1.8 | 3.2 |
| United States..... | 12.5 | 53.2 | 10.1 | 89.8 |
| Finland..... | 2.0 | 7.16 | 1.1 | 8.6 |
| France..... | 18.9 | 9.4 | 8.7 | 4.0 |
| Czecho-Slovakia..... | 0.26 | 9.1 | 0.2 | 9.1 |
| Sweden..... | 1.6 | 9.9 | 0.46 | 7.1 |
| Estonia..... | 8.7 | 3.0 | 6.95 | 1.9 |
| Other countries..... | 21.4 | 40.0 | 11.6 | 24.3 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 279.1 | 320.7 | 230.6 | 292.3 |

The total exports for the entire fiscal year 1925-26 amounted to \$302,150,000 and the total imports to \$346,492,000 (across the European frontier only).

The total exports across the Asiatic frontier for the first ten months of the past fiscal year (from October 1, 1925, to July 31, 1926) amounted to \$30,664,000, and the total imports across the Asiatic frontier amounted for the same period to \$36,663,000.

Soviet Trade With Eastern Countries

The trade turnover of the Soviet Union with Persia, Turkey, Afghanistan, Western China and Mongolia amounted to 127,000,000 rubles (\$65,400,000) for the first nine months of the fiscal year 1925-26. This amount includes the turnover of the Nizhni-Novgorod Fair with these countries, amounting to about \$15,000,000. The turnover with Egypt, China, Japan and Palestine for the same period, not including the turnover of the Nizhni-Novgorod Fair, amounted to 54,000,000 rubles (\$27,810,000). It may be assumed that the trade turnover with all Eastern countries for

the entire fiscal year 1925-26 exceeded the figure of 200,000,000 rubles (\$103,000,000).

Utilization of German Credits to U. S. S. R.

Since the end of July, 1926, up to October 1, the Trade Delegation of the Soviet Union in Germany placed in that country orders for an aggregate amount of 85,000,000 marks (over \$20,000,000). Out of this amount, orders running up to 75,000,000 marks were placed on credit terms of four years, and orders to the amount of 10,000,000 marks on credit terms of two years. These credits are part of the 300,000,000 (over \$71,000,000) credits granted by Germany to the Soviet Union for the financing of its imports. Guaranties for only half of that amount have been obtained so far.

The purchases mentioned above were divided into the following categories: Factory equipment, 45,000,000 marks; lathes and tools, 21,000,000 marks, steam power installations and electrical equipment 17,500,000 marks, measuring apparatus and accessories 1,500,000 marks.

The orders included equipment for coking plants, for paper and cellulose factories, and for electric power stations. Altogether orders for electric equipment for a total capacity of 200,000 kilowatts were placed in Germany by the Soviet Trade Delegation at Berlin. In addition to this, but not on account of the German credits, orders for electrical equipment (100,000 kilowatts capacity) were placed in England and France. About 3,000 metal working lathes were ordered in Germany.

The orders distributed in Germany on account of the credits covered the requirements of the following industries: 30,000,000 marks for the metal working industry of the U. S. S. R.; 12,000,000 marks for the coal mining industry; 2,000,000 marks for ore mining, 8,500,000 marks for the paper industry, 16,800,000 marks for the oil industry, 2,900,000 marks for the electrotechnical industry and 9,200,000 marks for electric power stations. The balance was distributed between the industries run by the various constituent republics, municipal enterprises, the Commissariat for Transport and the Commissariat for Posts and Telegraphs.

By the end of October 1926 the orders placed in Germany on account of the 300,000,000 marks credits amounted to 100,000,000 marks (about \$24,000,000).

Trading Operations of the Russian-German Trading Corporation

The trading operations of the Russian-German Trading Company "Russgertorg," a "mixed company" working with German and Soviet capital, greatly increased in the course of the fiscal year

1925-26 and reached 15,000,000 rubles (\$7,725,000). Recently the company concluded an agreement with a large German chemical concern, under which the latter obtains the right to supply the Soviet Union with chemicals and pharmaceutical products. The products of this concern will be sold in special consignment stores to be opened in Moscow, Leningrad, Kharkov, and other cities.

Export of Veneers

During the past fiscal year which ended September 30, 1926, the Veneer Trust of the Soviet Union exported about 8,000 cubic meters of veneers, 90 per cent of the exports going to England. The balance consisted of trial shipments to the United States, Italy and other European countries. The quality of Soviet veneer is on a par with the Finnish product. During the current fiscal year 1926-27, beginning October 1, 1926, the export of veneer will be extended. In addition to England, considerable quantities will be sold in Italy and in America. For the American requirements the plants of the Veneer Trust are turning out at present veneers of a special standard.

Soviet Trade with France

The growth of the large scale industry of France has greatly contributed to the development of trade relations with the Soviet Union. The total turnover of Franco-Soviet trade for the last year and a half amounted to 160,000,000 rubles (\$82,400,000).

Soviet Industries

THE total output of the large scale State industries for September, 1926, shows an increase of 9.1 per cent over that of August, 1926, and an increase of 27 per cent over the output of September of the preceding year. The output of coal increased from 1,939,000 metric tons in August, to 2,188,000 metric tons in September. The output of oil decreased from 784,000 metric tons in August to 747,000 metric tons in September. The output of cast iron was 212,034 metric tons in September, as against 196,550 metric tons in August, an increase of 7.9 per cent. The output of Martin steel was 279,540 metric tons in September, as against 251,554 metric tons in August, an increase of 11.1 per cent. The output of rolled iron was 216,834 metric tons in September, as against 188,288 metric tons in August, an increase of 15.2 per cent. The output of cotton textile goods was 207,200,000 meters in September, as against 171,300,000 meters in August, an increase of 21 per cent. The output of woolen goods was 7,079,000 meters in September, as against 5,429,300 meters in August, an increase of 30.4 per cent. The linen industry shows a monthly increase

of 12.3 per cent. The increase of the September output, as compared with that of the previous month was 14.7 per cent for the electrotechnical industry; 5.4 per cent for the heavy chemical industry; 1.8 per cent in the cement industry; 8.6 per cent in the rubber industry (2,444,300 pairs of rubber shoes in September, as against 2,283,200 pairs in August, and a 72.5 per cent increase in the output of automobile tires); 17.8 per cent in the paper industry; 30.5 per cent in the glass industry; 11 per cent in the china industry; 11.9 per cent in the tobacco industry.

The total value of the output of the large scale State industries increased from 626,100,000 rubles (\$322,400,000) in August to 685,000,000 rubles (\$352,000,000) in September.

The daily average freight turnover of the railroads was 28,500 cars, as against 24,900 cars in August.

Textile Concessions

In its previous issue the "Russian Review" published the terms of a concession granted to a Polish manufacturer for the operation of a textile factory in the Moscow Province. Two similar concessions have since that time been granted in the textile industry—one to the Polish firm Nowik & Sons, and one to an Austrian manufacturer, Mr. Altmann.

Nowik & Sons are to manufacture peasant caps, hats (up to 20,000 doz. a year), felt galoshes (13,000 doz. a year) and felt cloth (22,000 meters a year). The concessionaire has engaged himself to equip the factory, to provide it with the most recent technical improvements and to start its operation within nine months from the conclusion of the agreement. The rent paid by the concessionaire amounts to 32,000 rubles (\$16,480) annually. The concessionaire is to pay to the government 10 per cent of the turnover. The agreement is concluded for 12 years. After the expiration of that term the factory, with the entire equipment, is to revert to the Government.

The factory leased by the Austrian manufacturer, Mr. Altmann, is to be equipped by the concessionaire for the production of knit goods. Not less than 120,000 rubles (\$61,800) will have to be expended by the concessionaire for knitting equipment and not less than 60,000 rubles (\$30,900) for wool yarn equipment. The concessionaire is to pay 8 per cent of the turnover in the knitting branch of his enterprise, and 5 per cent from the woolen branch. The turnover is to reach not less than 400,000 rubles (\$206,000) for the first year, not less than 800,000 rubles (\$412,000) for the second year, and not less than 1,000,000 rubles (\$515,000) for the third year. The amount of the rent is 8,000 rubles (\$4,120) a year. The concession expires after 18 years, when the factory will revert to the Government in good running order and with the entire equipment.

Five Years of Soviet Taxation Policy

ON July 26, 1921, the Soviet Government issued the first trading tax law which became the basis of the present taxation policy. In the course of the past five years the taxation system underwent important changes. Its present condition differs considerably from that of 1921 and 1922. One of the chief features of the Soviet Government's taxation policy since that period was the transition from the tax in kind to taxation in currency. The food tax which was paid in kind was abrogated and the single agricultural tax paid in money was substituted for it; the labor and carting duties were replaced by the same single agricultural tax in the villages and by the income tax in the cities.

Simultaneously with the substitution of money taxes for the tax in kind went an improvement of the taxation system. Taxes which were established according to crude external criteria and were not adapted to the paying capacity of the various tax payers, were replaced by more expedient taxes. Thus, poll-taxes (such as the labor and carting tax, and also the farmstead tax paid in money) as well as special assessments, like that of 1921, were abolished. The income tax was systematized; the trading tax was also considerably amended and improved. Briefly, the taxation policy was directed towards such a distribution of the tax burden among the various groups of taxpayers as would best correspond to their income.

The proportion of the direct taxes is considerably higher than before the war. While in the budget of 1913 direct taxes made up 12.8 per cent, the same item in the budget of 1924-25 amounted to 38.2 per cent (not counting in the budget the gross revenues and expenditures of the State enterprises and including only the net profit proceeding from these enterprises). According to approximate estimates, the amount of taxation per capita of the population in 1924-25 was expressed by the following figures for the various classes of the population: Peasantry—5 gold rubles; workers and office employees—14 gold rubles; other groups of the city population—42 gold rubles.

Such a distribution of the tax burden among the various classes is obtained first of all by the important place occupied by direct taxes in the taxation system, and second by imposing different rates of excise duties upon the various articles of consumption. In the excise revenues of 1925-26 the income derived from the taxation of articles of prime necessity constitutes about one-third (32.7 per cent), while the balance of the excise revenues is obtained from the taxation of articles which are comparatively less indispensable, such as tobacco, cigarette tubes, etc., and

articles which may be considered as superfluous, such as wine, liquors, beer, etc. A very considerable share of all excise revenues, viz. 46.2 per cent, is obtained from taxes on these articles.

The growth of the tax revenues of the single Federal budget (not including local taxes or additions to Federal taxes) during the last four years is presented by the following table:

| Year | Tax Revenues Gold Rubles | Percentage of Increase Over Preceding Year |
|--------------|-----------------------------|--|
| 1922-23..... | 474,600,000 | ..... |
| 1923-24..... | 788,500,000 | 66.1 |
| 1924-25..... | 1,334,300,000 | 69.2 |
| 1925-26..... | 1,880,900,000 | 41.0 |

The growth of the various tax income groups was not uniform. While the total amount of the tax revenues during the period mentioned increased by 296.3 per cent, the direct taxes during that period increased 107.5 per cent—from 281,000,000 rubles in 1922-23 to 583,000,000 rubles in 1925-26; the indirect taxes increased by 563 per cent—from 170,000,000 rubles to 1,127,000,000 rubles; and the duties by 639.1 per cent—from 23,000,000 rubles to 170,000,000 rubles. The divergence in the rate of development of the various taxes is due to the fact that the operation of the taxation system was started with direct taxes which already during the first year were giving considerable revenues.

Such an intensive growth of tax revenues rendered possible a reduction of currency issues for budget purposes, and there is no doubt that the increase of tax revenues was one of the main conditions for the carrying out of the currency reform, i. e., for the establishment of a stable currency.

The Soviet Government always adapted the taxation policy to the paying capacity of the various sections of the population. This appears from the fact that in spite of the rapid growth of tax revenues in the course of the last few years, the proportion of federal and local taxes to the national income is lower than before the war, when the taxes amounted to 13 per cent of the national income. A comparison of the tax revenues with the national income is given in the table below:

| Fiscal Year | National Income Gold Rubles | Tax Revenues Gold Rubles | Percentage Relation of Tax Revenues to National Income |
|--------------|--------------------------------|-----------------------------|--|
| 1922-23..... | 7,369,000,000 | 569,500,000 | 7.7 |
| 1923-24..... | 11,764,000,000 | 997,200,000 | 8.5 |
| 1924-25..... | 15,155,000,000 | 1,544,100,000 | 10.2 |
| 1925-26..... | 20,084,000,000 | 2,195,900,000 | 10.9 |

The past five years have shown that the taxation policy of the Soviet Union conformed to the economic needs of the U. S. S. R.

Financial Items

THE new agricultural tax is based on the principle of taxing the total of income items of every peasant holding.

In 1926-27 the total amount of the tax derived from the peasantry will aggregate 300,000,000 rubles (\$154,000,000), as against 240,000,000 rubles (\$123,600,000) in 1925-26 and 340,000,000 rubles (\$175,000,000) in 1924-25.

This amount will be distributed among the various peasant categories on the principle of a rising scale of taxation, as follows:

Out of the total number of 24 million farms, six million are altogether exempt from taxation. About 40 to 50 per cent of all farms will pay less than last year—on the average an annual tax of seven rubles (\$3.60) per farm. From 15 to 20 per cent of all farms will pay the same amount as last year—on the average 20 rubles (\$10.30) annually. Well-to-do peasants, embracing about 3,500,000 farms, will pay about 140,000,000 rubles, that is, on the average an annual tax of 50 to 55 rubles per farm.

Last year the highest percentage of tax assessment averaged 12 per cent in the entire Soviet Union. According to the new law the maximum will be 25 per cent.

The taxation policy of the Soviet Government with regard to the rural population is not expressed by this rising scale only, but also by a number of other features tending towards the improvement of the situation of the middle and small peasantry, such as facilities in the taxation of leased lands, tax exemption of persons engaged in cultural work in the villages, as well as of land belonging to all kinds of public organizations, and by the granting of facilities aiming at the intensification and improvement of agriculture.

Forest Revenues of the U. S. S. R.

The total amount of the forest revenues for 1925-26 is estimated at 209,500,000 rubles (\$107,892,000), which is 69,000,000 rubles (\$35,535,000) more than was expected according to preliminary budget estimates for 1925-26. The figure was obtained from actual returns for the first eleven months and from estimates for the last month, i. e., September. The forest revenue increased more than one hundred per cent as compared with the preceding year.

Currency Circulation on October 1, 1926

On October 1, 1926, the beginning of the new fiscal year 1926-27, the amount of currency in circulation in the Soviet Union was 1,343,184,300 rubles, which is 68,514,200 rubles more than on September 1. The increase was due to the grain purchasing campaign.

The currency is divided as follows:

| | <i>Rubles</i> |
|-----------------------------------|----------------------|
| Bank Notes of the State Bank..... | 780,640,800 |
| Treasury Bills | 400,673,600 |
| Silver Coins | 152,225,000 |
| Copper Coins | 8,517,400 |
| Bronze Coins | 1,127,500 |
| Total | 1,343,184,300 |

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

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

| <i>Assets</i> | <i>November 15</i> | <i>November 1</i> |
|--|--------------------|-------------------|
| Gold coin and bars..... | 16,162,425 | 16,162,436 |
| Platinum | 3,038,356 | 3,056,163 |
| Foreign currency..... | 5,549,244 | 5,446,280 |
| Drafts in foreign currency..... | 192,888 | 192,888 |
| Bills in chervontzi..... | 65,971,220 | 66,056,366 |
| Securities covering advances..... | 85,867 | 85,867 |
| Total | 91,000,000 | 91,000,000 |
| <i>Liabilities</i> | | |
| Bank notes transferred to State Bank | 89,723,430 | 89,305,196 |
| Balance to which notes may still be issued..... | 1,276,570 | 1,694,804 |
| Total | 91,000,000 | 91,000,000 |

Ninety-one million chervontzi equal 910,000,000 gold rubles (\$468,650,000).

Motor, Rail and Water Transport

THE total number of urban, interurban and suburban automobile lines in the U.S.S.R. is 133, with a total length of 7,096 kilometers, the activity of the Moscow busses constituting 75 per cent of the activities of all regular bus and automobile lines in the U. S. S. R. The number of passengers transported by these lines in the Moscow district amounts to two million per month. Next place with regard to automobile traffic is held by Transcaucasia, where twenty-five lines are in operation. In 1926 the number of passengers transported per automobile on the military high road of Georgia was six times as high as in 1925.

The activities of the "Autopromtorg," a joint stock company formed three years ago by Soviet economic organizations for the purpose of developing automobile transport, are indicated by the following figures:

The original capital stock of the company was

5,000,000 rubles. After three years of activities the turnover of the company reached 20,000,000 rubles. The "Autopromtorg" owns at present 570 motor trucks and busses, 65 per cent of which were imported from abroad in the course of the last two years. In three years the quantity of freight transported by "Autopromtorg" has increased sevenfold and amounts at present to 4,000,000 tons annually. The number of passengers transported has reached the figure of 7,000,000.

The "Autopromtorg" has organized the output of automobile bodies (in Moscow and in Rostov-on-Don), of fire engines in Moscow, and of spare parts for bicycles, motor-cycles and automobiles—articles which before the Revolution were not manufactured in Russia.

Last year the company had a net profit of over 500,000 rubles. The shipping, trading and manufacturing activities of the company cover the entire territory of the Soviet Union with a system of fifty offices, branches, agencies, and stations.

New Railroads in Siberia

Railroad construction in Siberia is progressing rapidly, and a number of new lines that were under construction last year in the southwestern part of that territory will start operations this year. The Achinsk-Minusinsk line has been completed and started its operations on October 1, 1926. This road is mainly concerned with the transport of grain; the southern part, however, passes through a coal mining district.

The Kolchugino road has been practically completed, and was to start operations not later than November 1, 1926. The region crossed by the new railroad is an uninterrupted chain of exceedingly rich coal and iron deposits. The coal mined in this region is of so high a quality that it can be used in blast furnaces without coking.

The Petropavlovsk-Kokchetav-Borovoye line is to engage chiefly in the transport of grain, and will connect Borovoye, one of the best climatic resorts of the country, with the general railway system. The road was to start operations by the end of November or in the first part of December, 1926.

The Troitsk-Orsk line is to connect Siberia with Soviet Central Asia, and to supply that region with timber, as well as with grain which is so important for the development of cotton growing in the Central Asiatic Soviet Republics.

The Moscow Subway Project

The Berlin concern Siemens-Bahnunion, which was engaged in constructing subways in Berlin, Budapest and Hamburg, has worked out a project for the construction of the first Moscow subway line. The double-track line is to connect the

railway stations with the center of the city. It will be able to serve 60,000 persons per hour, with trains running every two minutes. The construction of the first line would take about three years. The cost of construction, including full equipment is estimated at from 24,000,000 to 26,000,000 rubles (\$12,000,000 to \$13,000,000).

Contest for Projects of Oil-Driven Locomotives

On February 24, 1926, the Council of Labor and Defense of the Soviet Union announced a contest for projects of oil-driven locomotives. The term for submitting material to that contest was extended to May 1, 1927.

The date on which the Technical Bureau of the Commission on Oil Locomotives, attached to the People's Commissariat for Transports, receives the project is to be considered as the date on which it was submitted.

Steamship Connection Osaka-Odessa

According to information received in Moscow, the Japanese Department of Ways of Communication has appropriated 9,000,000 yen (about \$4,500,000) as a subsidy to the steamship company "Nippon Yuzen Kaysia" for the purpose of organizing a steamship freight connection between Osaka and Odessa. Sailings will take place every two weeks. The decision was adopted upon request of the Osaka Chamber of Commerce and the Japanese-Turkish Company.

Aviation Lottery

For the purpose of furthering the development of airplane construction the Society of the Friends of the Airfleet and of Chemical Defense ("Aviakhim") whose activities were dealt with in the previous issue of the RUSSIAN REVIEW, has organized an All-Union lottery which is to issue two million tickets of 50 kopecks each, the total sum to be raised amounting to one million rubles. The prizes include two trips around the world, two trips around Europe, two trips around Central and Southern Europe, and a number of airflights. All the expenses, including wages and salaries for the time spent during the voyages, will be paid by the "Aviakhim" Society.

Bound Volume IV of the RUSSIAN REVIEW, 216 pages, containing all the issues published in 1926 as well as comprehensive index, will be ready early in January. Price, \$3.00. Still available a few copies of Volume I, 404 pages, containing all issues from Sept. 15, 1923, to June 15, 1924, and complete index, as well as Volume III, 504 pages, containing all issues of 1925 and complete index, both bound in imitation leather. Price, \$4.00 and \$5.00, respectively.

Protection of Labor, Trade Unions, and Unemployment

THE economic progress of the U. S. S. R. was accompanied by a substantial improvement of the living conditions of the workers. This is particularly noticeable with regard to protection of labor, the revenues and expenditures of the social insurance budget showing a tremendous increase. The revenues during the first six months of 1924-25 amounted to 215,000,000 rubles; the corresponding figure for the same period of the past fiscal year 1925-26 was 315,000,000 rubles—an increase of 46 per cent.

In the course of the last two years about 350,000,000 rubles were spent for housing construction, a number of workers' settlements having been built in the large industrial regions, such as the Donetz Coal Basin, Ivanovo-Voznessensk, Baku, Kolchugino, Stalingrad (formerly Tsaritsyn), etc.

In the course of the last few years the Government succeeded in enforcing a number of very important provisions of labor legislation, which heretofore could not be carried into effect, due to the war and economic disorganization of the country. Thus the average length of the annual vacation granted every worker was 5 to 8 days in 1920, 10.3 days in 1922 and 14 days in 1925.

According to the data of the People's Commissariat for Labor, the average length of the working day is at present 7 hours and 36 minutes, the reduction of the average working day below eight hours being due to the establishment of a shorter working time in those branches which are injurious to health.

In 1924-25 (October 1, 1924, to September 30, 1925) the social insurance system enabled 315,966 persons to get admission to the various rest homes, sanatoria and health resorts—this number not including those persons who entered these institutions at the expense of the State enterprises and trade unions. In 1925-26 that number increased to 351,000.

Growth of Trade Union Movement in U.S.S.R.

In July, 1926, the total membership of the trade unions of the U. S. S. R. was 9,268,900. In July, 1918, the total membership was 2,000,000, and in July, 1923, 5,345,300. In the course of the last three years the membership of the trade unions increased 73 per cent. On July 1, 1926, 88.6 per cent of all workers and office employees were members of trade unions.

On January 1, 1925, the number of local factory committees was 30,000; on January 1, 1926, their number was 56,000—an increase of 86 per cent.

In January, 1925, 4,822,000 persons had concluded collective agreements; one year later that number had risen to 6,221,400, an increase of 29 per cent. By the beginning of 1926, 85 per cent of all persons employed were working on the basis of collective agreements.

There are at present 3,258 workers' clubs with 972,735 members.

On January 1, 1925, the number of trade union libraries was 6,803; on January 1, 1926, this number had grown to 8,085.

Unemployment in the Soviet Union

The total number of workers and clerks holding employment was 6,035,300 in 1925, and 7,700,600 in 1926. In spite of this growth unemployment was on the increase. On April 1, 1925, the number of unemployed trade union members was 992,900, while on April 1, 1926, their number was 1,182,500, an increase of 19.1 per cent.

Notwithstanding insufficient resources the Government has been able from year to year to increase its expenditures for the protection of the unemployed. Financial assistance to the unemployed amounted to 68,000,000 rubles in 1924-25 and to 96,000,000 rubles in 1925-26. Expenditures for public works (included in the above sums) amounted to 4,000,000 rubles in 1924, 8,000,000 rubles in 1925, and 12,000,000 rubles in 1926.

The Judicial System of Soviet Russia

THE Government of the Russian Socialist Federal Soviet Republic (Soviet Russia proper) which embraces 92 per cent of the territory, and 69 per cent of the population of the Soviet Union, has decided to reorganize its judicial system. The unified judicial system of the R. S. F. S. R. is to include People's (district) Courts, Provincial or Regional Courts, and the Supreme Court of the R. S. F. S. R.

For certain cases special courts will be temporarily in session side by side with the unified system of judicial institutions, such as military courts for military offences, and rural commissions for cases referring to land tenure.

The office of the Attorney General supervises the general observation of the law and the measures taken to combat criminal activities.

The collegium of lawyers works under the immediate supervision and guidance of the district, regional, and provincial courts.

People's Court Judges

Any citizen enjoying political rights on the basis of the Constitution of the U. S. S. R. and of the R. S. F. S. R., who for two years was engaged in responsible political work in state offices, in public organizations, or in trade union or party

activities, or has had three years of practical work in Soviet judicial institutions—is eligible for a position as People's Court Judge.

People's Court Judges are elected for one year by the Provincial Executive Committees. The repeal of a People's Court Judge prior to the expiration of his term may be effected only by decision of the Provisional Executive Committee, or by the City Soviet. The removal of a People's Court Judge, on account of his judicial activity, may take place only as a result of a trial, or as a disciplinary measure.

Any citizen who is working for his living and is enjoying political rights under the Constitution, is eligible for the position of an Associate Judge. Not eligible are persons excluded for disreputable actions from trade unions or public organizations, in the course of three years from the date of their exclusion; and persons convicted for crimes until the full expiration of the period of their civic disability.

Lawyers and Lawyers' Fees

Any citizen enjoying all political rights on the entire territory of the Soviet Union, who for not less than two years was active in Soviet judicial institutions, or has passed an appropriate examination by a special commission attached to a Provincial Court, is eligible for membership in the collegium of lawyers.

Members of the collegium of lawyers are not allowed to occupy any positions with State institutions or enterprises. An exception is made in the case of persons occupying elective State offices, for professors and instructors of jurisprudence, and for legal advisers of State establishments and enterprises.

Persons considered as indigent on the basis of a special decision of the People's Court are exempt from all payments to lawyers in criminal and civil cases; workers and office employees, as well as peasants and persons engaged in home industries who do not employ any hired labor, have the right to pay lawyer's services according to a scale established by the People's Commissariat for Justice.

In every single case the remuneration to be paid to lawyers is to be determined through arrangements made by the latter with the interested party.

COMMERCIAL HANDBOOK of the SOVIET UNION

published by the Russian Information Bureau in Washington, D. C., contains the latest data—up to January 1, 1926—concerning the administrative structure, population, natural resources, industries, agriculture, trade, finances, and other useful information on the Soviet Union—40 pages.

PRICE, 25 CENTS

Women in the Soviet Union

THE participation of women in the industrial life of the country is constantly increasing. Last year 554,000 women were engaged in the various industries, and this year their number has risen to 690,100. However, this increase does not keep pace with the total increase in the number of workers. To encourage the entrance of women into industrial occupations serious attention has been directed towards the improvement of the technical qualifications of women. Certain achievements have already been attained in this respect. The task of improving the technical skill of women workers is being carried on by vocational and factory schools in which the percentage of women is increasing from year to year. This raising of the technical skill of women workers is gradually contributing to the reduction of unemployment among women.

In the course of the last few years the situation of women workers has greatly improved. According to recent data 778 creches for children, 521 dispensaries for children, 276 stations for expectant mothers and 103 maternity hospitals are attached to factories and mills. The above mentioned number of establishments does not completely satisfy the needs of all women workers, and their number is bound to increase.

In cooperative organizations women make up 16.6 per cent of the shareholders, 4.2 per cent of the members of the managing boards; and 5.2 per cent of the members of the auditing commissions. They are also active in the housing cooperatives, and it is in consideration of their needs that community laundries, creches, dining rooms, etc., are being provided for in the newly built houses.

Considerable progress has been achieved in the participation of women in trade unions. Only an insignificant percentage (4 to 5 per cent) of working women are still unorganized. A very great number of women take part in trade union activities, in the executive bodies of the federations, in the local boards and in the factory committees. Women form 21 per cent of the management of trade union locals; the proportion of those taking part in higher executive bodies is smaller; thus there are 13.7 per cent women in the All-Union Central Council of Trade Unions; 15.1 per cent in the Central Committees of the Federations, and 5.5 per cent in the provincial sections.

There are at present four women's papers of national scope; their total circulation is 174,000 copies. In addition to this the large autonomous and constituent republics are publishing their own independent women's magazines for mass circulation; these papers have succeeded in grouping around themselves great numbers of women cor-

respondents from city and country. The total number of the latter by May 1, 1926, amounted to 5,211.

Great numbers of women also take part in the State administration and in the public and cultural life of the country. The number of women active in these fields this year is 99,000, as compared with 67,500 in 1925. Women make up 25 per cent of the Soviet employees in the cities of Soviet Russia proper; in Provincial Courts their proportion is 17.8 per cent, in People's Courts 18.6 per cent. Activities tending at the elimination of illiteracy among women are being conducted on a large scale. In clubs concerned with cultural and educational work women make up about 29.8 per cent of the membership.

Activities among peasant women are conducted separately. In the current year they elected 321,000 delegates to various conferences, as against 121,000 in 1925. The proportion of women in village soviets has increased in the course of the year from 9 to 14.4 per cent.

On June 1, 1926, the total number of women who were members of the Communist Party was 139,216. Of this number 59 per cent were working women. The proportion of women in the Party is 13 per cent of the total membership.

Pioneer Movement in the U. S. S. R.

THE organization of the "Young Pioneers" in the Soviet Union corresponds to a certain extent to the Boy Scout movement in the other countries. It is gradually becoming a mass organization and is of tremendous importance in the cultural life of the country.

The number of children who are organized in the various detachments of the Young Pioneers has at present reached the two million mark. The Communist Youth Society in which young people of between 16 and 23 are organized, has detailed tens of thousands of its members for active work among the Young Pioneers.

In the course of one year and a half, from July 1, 1924, to January 1, 1926, the number of children organized in the Young Pioneer detachments underwent an almost tenfold increase. They constitute 6 per cent of all the children of pioneer age. About one fifth of city children is included in the organization, while the corresponding figure in the villages is, of course, much smaller.

However, the number of Pioneers in the villages is also growing very rapidly. On January 1, 1925, the number of detachments organized in villages was 10,363, a figure which by January 1, 1926, had risen to 24,338. The number of Pioneers in peasant detachments increased by 125.4 per cent, while in the industrial detachments it increased by 22.9 per cent.

In the majority of districts the number of Pioneers is larger than that of the members of the Communist Youth Society.

In the various autonomous areas and republics of the non-Russian nationalities the activities directed towards attracting the children of the natives to the Pioneer movement have not met with sufficient success. Thus, the participation of Tatar children in the Pioneer movement of the Tatar Republic does not exceed 30.2 per cent, while Russian children make up 64.1 per cent of the total. In the Bashkir Republic only 17 per cent of the members are Bashkir children, 22.5 per cent are Tatars, while the majority, 54.2 per cent, is made up by Russians. However, in a number of autonomous areas and republics considerable achievements have been noted. Thus in Armenia the Armenian Pioneers make up 91.6 per cent of the movement, while the Russian element amounts to 0.8 per cent only. In the Chuvash Area the Pioneers of Chuvash nationality constitute 63.4 per cent of the total.

It is worth while pointing out that the number of girls in the Pioneer detachments is almost as large as that of the boys. In the Central Industrial Region (including the Provinces of Moscow, Tver, Yaroslavl, Kostroma, Ivanovo-Voznessensk, Vladimir, Nizhni-Novgorod, Ryazan, Tula and Kaluga) girls constitute 48.7 per cent in the Pioneer detachments; in the Central Agricultural Region (the Provinces of Orel, Kursk, Tambov, Voronezh)—45.7 per cent. Considerably smaller is the number of girls in the autonomous areas and republics, where on the average they do not exceed 31.3 per cent. But if the customs of the natives inhabiting these territories are considered, then even this percentage must be regarded as large.

The Pioneer movement has played an important role in giving shape to children's activities in the school. At present there are several "Seven-Year-Schools" (seven-year course schools for children between the ages of 7 to 14 years) that are connected with factories, thus solving the problem of direct connection of educational and industrial activities. In village schools with Pioneer detachments special lots of arable land are being attached to the schools in which the children are learning how to organize agriculture according to new principles. There are many cases in which peasant parents are learning modern farming methods from their Pioneer children.

PUBLICATIONS OF THE RUSSIAN INFORMATION BUREAU

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

Publications Received

AMERICAN TRADE AND INDUSTRY (in Russian),
New York. October 30-November 15, 1926.

In keeping up with current economic developments in the United States the last two numbers of "American Trade and Industry" devote considerable space to the discussion of such timely topics as the Cotton Crisis in the United States, the Financing of Cotton Sales, Soviet Cotton Purchases in the United States, Agricultural Cooperation in the United States, the United States and the World Rubber Market, Grain Exports and Ocean Freight Rates, topics of more than local or even national interest, and bearing largely upon the general international trade situation.

We also note the following articles of general interest: Growth and Concentration of the Electrical Industry, The Problem of Oil Conservation in the United States, and Post-War Development of the Export Trade of the United States of America.

As in previous issues considerable space is given over to the discussion of trade opportunities in American markets of Russian export specialties, such as field seeds (clover, timothy, etc.), powdered eggs, furs, sheep casings, fish and fish products, etc., and of American articles, such as copper, lead, crude drugs, cotton, oil, automobiles, etc., seeking foreign outlets and for which there is a growing demand in the Union of Soviet Socialist Republics.

The numbers under review contain also market letters from local representatives of Soviet trade interests discussing industrial conditions and trade opportunities in Canada, Mexico and Argentina.

For the benefit of its readers, i. e., the trading public in the Soviet Union chiefly, statistical tables are added giving a survey of current business in the United States along principal lines, also the movement of prices of leading commodities, of special interest to Soviet importers and exporters.

Another feature worth while noting, are the "Current Items" which cover in short compass a mass of interesting information regarding American trade and industry, gleaned from official and trade literature. Short book reviews and selected biographies are found in both numbers of **AMERICAN TRADE AND INDUSTRY**.

By issuing the review twice a month—instead of once, as heretofore—the editors will be able to follow more closely developments in the American markets and thus to increase the usefulness of the publication as a medium of promotion of trade between the U. S. S. R. and the United States.

Miscellaneous News

LEONID B. KRASSIN

The death of Leonid B. Krassin, Diplomatic Representative of the Soviet Union in England, who passed away on November 24, 1926, was a heavy blow to the government and the people of the U. S. S. R. For in his person the Soviet Union loses not only one of its most brilliant minds who for many years had served his country in times of danger, but also one of its most conspicuous industrial and commercial experts who had greatly contributed to the economic rehabilitation of the U. S. S. R.

The news of his death arrived at a moment when this publication was going to press; for that reason the *RUSSIAN REVIEW* has to postpone for its next issue the presentation of the life and activities of the man who was one of the great builders of the Union of Soviet Republics.

Administrative Nominations

On September 28, 1926, Mr. M. I. Khlopliankin was relieved from his position as Trade Representative of the Soviet Union in England, and Mr. L. M. Khinchuk was nominated in his stead.

On November 5, 1926, Mr. G. K. Orjonikidze was appointed People's Commissar for Workers' and Peasants' Inspection, a position made vacant some time ago by the appointment of its holder, Mr. V. V. Kuybyshev, to the post of Chairman of the Supreme Council of National Economy in succession to the late Felix Dzerzhinsky. Mr. Orjonikidze simultaneously was also appointed Vice-Chairman of the Council of People's Commissars of the U. S. S. R. and Vice-Chairman of the Council of Labor and Defence, positions from which Mr. Kuybyshev was relieved.

Libraries in Soviet Russia

The number of public libraries of the cities and urban communities of the Russian Socialist Federal Soviet Republic (Soviet Russia proper) which embraces 92 per cent of the territory and 69 per cent of the population of the Soviet Union, is about 1,000. About 8,000 libraries are being conducted in connection with workers' clubs and "red corners" in the industrial enterprises. Practically all of these libraries are conducted by trade union organizations.

There is also in existence a large number of Party and Communist Youth libraries. In addition to this, special libraries have been established

in every large provincial city, such as cooperative libraries, in connection with provincial federations of cooperatives; agronomical libraries attached to local boards of agriculture; and medical libraries, attached to provincial boards of health.

Lately the number of rural libraries has grown considerably. At present there are in existence about 6,500 village libraries. According to the development program for the present fiscal year 1926-27, beginning October 1, 1926, up to 10,000 libraries are to be in operation in the various townships, with two libraries per township.

Furthermore, it is intended to increase the present number of 18,000 traveling libraries to 35,000 units in 1926-27, to serve the needs of the reading huts, the "red corners," the village schools, etc. By the tenth anniversary of the Soviet Union, November 7, 1927, the number of traveling libraries will be brought up to 50,000. All existing township libraries will be increased and their book supply renewed and completed.

Discovery of Vast Potassium Salt Deposits

It was in 1916 that small samples of hard potassium salt were first delivered to Russian scientific institutions from the city of Solikamsk which is situated near the Kama River, north of the city of Perm. In 1925 drillings undertaken by the Geological Committee on the outskirts of Solikamsk established the presence of potassium salt deposits of a type which is midway between the Alsacian and Stassfurt (Germany) salt beds. The thickness of the deposits is about 100 meters, and of these not less than 50 meters are valuable for industrial purposes. In 1926 500,000 rubles (over \$250,000) were appropriated for the exploration of these deposits.

The deposits cover an area of over forty square kilometers, and the depth at which they are situated is half that of the German and Alsacian deposits. The quality of the salts is not poorer and perhaps even better than the German product. The salt reserves per square kilometer are five times larger than in Alsace. Those deposits alone which have just been discovered contain more potassium than the Alsacian salt beds. Among all the potassium deposits of the world those of Solikamsk are second only to the Stassfurt beds, and they may soon occupy the first place, if the area prospected is extended.

The deposits are situated on the bank of the Kama River, in a region in which water transportation is possible during the entire navigation period. This renders river transport to Leningrad possible. The construction of the Volga-Don Canal will open a similar route to the Black Sea.

Membership of the Communist Party, of the Communist Youth Society and of the Pioneer Movement

On June 1, 1926, the All-Union Communist Party consisted of 31,364 party nuclei, and 2,386 groups of applicants on probation. These nuclei and groups embraced 645,482 regular party members and 421,845 applicants on probation, constituting a total of 1,067,327. Of this total 928,111 or 87 per cent, were men, and 139,216, or 13 per cent, were women. In reality the membership of the Communist Party is much larger, as the Communists serving in the Army are not included in the above total.

According to data as of September 1926, the Communist Youth Society, an organization of young people from 16 to 23 years of age, consisted of 63,394 groups with 1,878,491 members and 133,566 applicants on probation, making up a total of 2,012,057. Girls constitute 19.7 per cent of the total.

The Pioneer movement, which to a certain extent corresponds to the Boy Scout movement in other countries, numbered 45,129 detachments with 1,832,597 members on July 1, 1926. In addition, the organization of the "Oktabriata" ("October Kids")—children who have not reached the Pioneer age—included on that date 273,909 little ones.

Limitation of the Sale of Alcoholic Beverages

The Central Executive Committee and the Council of People's Commissars of the Soviet Union have elaborated the draft of a decree "On the Measures for the Limitation of the Sale of Alcoholic Beverages."

According to this decree it will be prohibited in cities and other urban settlements to sell to the same person more than one bottle of a liquor containing 40 or more degrees of alcohol. It is also forbidden to sell these beverages to persons under 18 years of age, and to persons who are in an intoxicated condition; restaurants and other eating places which are serving alcoholic beverages, are not permitted to sell them for use outside of their premises.

The governments of the constituent republics are entitled to limit and to forbid the sale of strong alcoholic liquors in certain localities and regions, and the governments of the autonomous republics, as well as the provincial and regional authorities have the right to limit or to forbid altogether the sale of strong liquors on holidays, on days preceding them and on pay-days, on the days when drafted men are called to the colors, in cases of emergency, in workers' theaters and clubs, in districts in which medical establishments are situated, etc.

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