

## An Official Report on Russia

### OPERATION OF SOVIET SYSTEM AS SHOWN BY REPORT TO ALLIED SUPREME COUNCIL.

#### WORKERS BOUND BY IRON DISCIPLINE AND FORCED TO FULFILL DEMANDS LAID ON THEM.

TWO DELEGATES of the London United Committee of Russian Co-operative Unions, F. I. Shmelev and N. V. Makeev, were sent to Moscow some time ago to negotiate regarding reestablishment of trade relations with Soviet Russia through the agency of the Co-operative Unions, in accordance with the decision of the Allied Supreme Council. The delegates returned recently. Although they were kept under strict surveillance while in Soviet Russia, through their contacts with other Cooperative officials they had an opportunity to gain a comprehensive impression of the state of affairs. Their main conclusions, taken from a copy of their report to the Co-operative committee follows:

#### UNDER COMMUNIST CONTROL.

The whole nation is under the control of the Communist party. There is a noticeable tendency toward centralization; that is, toward the subjection of the local Soviets and economic agencies to the organs of central control, the appointment by the central power of representatives and plenipotentiaries to local provincial and district organs of the Soviet Government, executive committees of local Soviets of Soldiers and Workers' Deputies, Soviets of Domestic Economy and provisioning committees. For the establishment and maintenance of a majority in the Soviets the Communist party is resorting to all means of pressure at its disposal, even to terrorization and actual repression.

#### RESULTS OF FAMINE.

The press is only the official or Communist party press.

Thanks to famine and to terror social and political workers in the cities are entirely out of touch with each other, and they are constantly under the threat of loss of liberty. Consequently, there is not the slightest evidence of any concentration of social forces.

Among the rural population there is a marked sobering of mood. The peasants in their local organizations are choosing as their representatives their practical men, in the majority of cases non-partisans. The villages are living quite isolated from the cities and in them are conserved both the physical and material forces of the country much more than in the cities.

#### CITY POPULATION DYING.

The city populations are dying off. Mortality in Moscow has reached the rate of 112 persons per 1,000. Typhus is epidemic in the villages, and also in the cities and along the railroads. Medical relief in the cities is slight, and in the villages is almost entirely absent. There are no medicines.

Compulsory labor and requisitioning of products are irritating the population extremely. By all available means the population attempts to evade fulfilling the obligations laid on it, and fulfils them

only under the influence of physical force and terror.

Peasant agriculture in central Russia continues on its former lines. In some places it is possible to estimate that there has even been a slight increase of the areas sown in consequence of the flooding of workers back to the villages from the cities. The former private estates are practically barren, although on them there has been organized so-called Soviet cultivation. In suburban districts the peasants have grown rich from the improverishment of the cities and have acquired all sorts of domestic luxuries which they never had before.

#### FARM PRODUCTS IN EXCHANGE.

Farm products the village population sells very unwillingly; and except in exchange for other articles, such as soap, salt, matches, and so on, it is impossible to procure anything. Raw materials are given up only under the pressure of physical force, on compulsory requisition, the execution of which always requires the presence of a squad of soldiers. Due to famine, the population is concerned exclusively with self-preservation, by procuring supplies and gaining exemptions from the heavy and unpleasant obligations imposed by the Government.

#### INDUSTRY & COMMERCE NATIONALIZED.

All industry and commerce have been nationalized and are in the control of organized working force. The supervision of the Supreme Council of Domestic Economy. In the factories there is no raw material or fuel or organized working forces. The majority of the qualified workers are occupied, and the others who have not lost touch with the villages have emigrated to them.

The workers who remain at the present time are bound by iron discipline. For every failure to fulfill demands there is one or another form of punishment, fine or arrest. On this ground, or in general on the ground of grievances over provisioning, there arise strikes, which are suppressed most violently.

Small industries are conducted by provincial and district Soviets of domestic economy. The central agencies in special branches of economy cannot agree among themselves and with the local Soviets regarding necessary measures to be taken.

Railroads function poorly. Trains run twice or even only once a week. The rolling stock is nearly destroyed.

In summary, on account of all the above-mentioned facts production in all branches of industry is rapidly declining.

The distribution of all products except raw materials must be according to the governmental provisioning committees and through the Co-operative Unions. However, in violation of existing laws, private trading is widely and openly practiced in the markets, bazaars and squares, although under the constant fear of confiscation and punishment. Even large deals are put through, despite the menace of trial by the revolutionary tribunals.

#### PLENTY OF PAPER MONEY.

The incalculable amount of paper notes which have been issued has quite robbed paper money of all value. All productive enterprises and governmental undertak-

ings exist on the basis of these paper notes. There are no credit operations. The State Bank has been abolished. In place of it has been organized a Budget and Accounting Administration.

Paper money is accepted very unwillingly, and all avoid it whenever possible.

#### NETWORK OF CO-OPERATIVE UNIONS

The actual situation of the Co-operative Unions is as follows: The whole country is covered with a net work of Co-operative unions and consumers' stores. There is not a village where there is not a consumers' society, especially in Central Russia.

"By a decree of March 20, 1919, consumers' Cooperatives were compulsorily united in one consumers' organization and in the reorganization a fusion of workers' Cooperatives with general Co-operatives Unions took place. Under this decree it was specially provided that every adult must be enrolled in a consumers' Cooperative Union, . . . the restrictions being those of the Constitution of the Soviet Republic.

"On January 27, 1920, there was issued a new decree regarding the Cooperatives. All separate forms of cooperative organization, local and central, were destroyed (the credit societies, agricultural societies, industrial cartels, and so on), to be fused in consumers' Cooperatives, and their central organs were to be fused in the Central Union (Tsentrosoiuz) as individual departments. This was to be done gradually. All the regular Cooperative workers take a negative attitude toward this decree, considering that it destroys the main basis of the success of cooperative work; that is, their voluntary organization and the independent action of members.

"The Communist party makes it obligatory for its members to enter cooperative organizations and to take part in their work.

#### ELECTION UNDER PRESSURE.

"The elections to the Cooperative Administration at the end of 1919 and the beginning of 1920 took place under heavy pressure from the local Soviet organizations, having the purpose of securing an ascendancy for the Communists with open violation of the constitutions of the societies and even of the instructions of the People's Commissar of Economy regarding these elections. As a consequence of the elections, however, the villages returned to the Administration, in the great majority of cases, the former Cooperative officials.

"In general, the real Cooperators recognize the necessity of continuing to work in the transformed Cooperatives with the newly entered Communists, maintaining their personal influence. Thanks to this, in the Cooperative organizations there have been preserved the former spirit and businesslike methods.

"In accordance with present legislation the work of the Cooperative Unions must be directed mainly to the distribution of products on the basis of norms established by the provisioning committees.

"At the same time, according to an agreement with various Soviet organizations, the Cooperative organizations carry on extensive productive operations, having in their charge hundreds of their own industries which have been turned over to them for development. All products turned out by these industries must be