

It is done by the capitalists of the U.S.A., Britain, France, Italy, Germany and others for the sake of some imaginary profits in the future. But imaginary these profits and markets will remain, providing the Soviets can go on with the completion of this Five-Year Plan.

According to your report the Soviets owe your businessmen to date \$170,000,000. As far as I know a number of your business men have entered contracts with the Soviets under which they are to receive 50% of the purchase price on delivery of factory supplies, machinery, etc. and the balance of 50% after proper installation and inspection of the goods. I have reason to believe that the unpaid balance of 50% will never be paid and the parties to these contracts in the U.S.A. should know it. If they do not it should be brought home to them, and also that by dealing with the Soviets they are assisting to arm their own enemies and in addition are prolonging the agony of a 160,000,000 nation.

Regarding the possibilities of gaining profitable markets in the U.S.S.R. for the future. The Soviets make no secret of the fact that these markets will not exist for other countries, in spite of this our financiers of America and Western Europe are continuing to deal with the Soviets. They are too shortsighted to see it, They are helping to build the hammer that before long will crush them. This is not too much said. If they do not want to see it, it is up to the governments to point it out to them in an effective way. The results of your investigation must have told you it, and we who are still standing with one foot in Russia have no illusions left.

It does not matter that some people say, "The people here are too far advanced too cultivated and civilized to fall for communistic doctrines." Or, "Communism is characteristic to the Russians only." Or, "When the danger is here we will face it and in the meantime let us get out of Russia what we can, and the chances are that we may do a billion dollars worth of business." I consider these people just as helpful to the communistic cause as the appointed communistic agitators. There is no law for empty stomachs, and by attacking the world market system it is a direct attack against them. The years 1930 with its unemployment and depression should have taught us this.

Against the above mentioned remarks we read again, "No industry anywhere can stand up against the competition of unpaid labour." And Further, "So far manufacturing countries have vied with one another in accepting these commodities in payment for modern machinery and such materials as Russia requires. The consequences of this shortsighted policy are now being felt. There is little sign however, of concerted action to frustrate a well-planned and ruthless scheme that promises to imperil the entire industrial structure outside Russia."

The Five-Year Plan is meant to bring the present system to a downfall. As to the time when the Red menace, backed by this plan, is likely to take effect, one writer sets it from between six months to six years. Professor Hoover speaks about ten years, but this before your report and also the last developments in Russia became known.

I find that the completion of the Five-Year Plan, which according to latest press reports is to be attained in four years--that is at the end of 1932,--may find the present system down and the world a chaos and ready to accept the doctrines of the Third International as something that will look better to the masses than what our own system, ruined, will be able to offer them. No matter what policies the governments adopt, unless stopped, irresponsible and selfish individuals who happen to have the means will always be able to frustrate any efforts of governments, as we have seen it so often done before. And it will be done again, for these people have no principles. All they are interested in is personal gain. The latest British-Soviet lumber contract for \$40,000,000 worth of lumber is a vivid illustration of it. It has been entered into despite of knowing that the lumber is produced by convict and forced labour and despite of knowing that at least 95% of these convicts are not what we here understand as convicts, and most of

