

from any Government in the world as a basis for political recognition and commercial intercourse. I am confident that the people outside of Russia are becoming as convinced as the Russian people themselves of the futility of efforts to overthrow the Soviet Government. Such efforts lead only to unnecessary bloodshed, and, if successful in any part of Russia, lead to temporary establishment of bloody, monarchial autocracy which cannot maintain itself, and even the temporary existence of which will lead to bloodshed and misery.

Fully realizing that economic prosperity of the world at large including Soviet Russia, depends on uninterrupted interchange of products between various countries, and especially with the United States. The Soviet Government is prepared at once to buy from the United States vast amounts of finished products, on terms of payment fully satisfactory to parties concerned. My Government also desires to reach an agreement in respect to exports from Russia of raw material needed by other countries and of which considerable surpluses exist in Russia. In order to reestablish the economic integrity of Russia and to insure uninterrupted commercial relations, the Russian workers and peasants, as Mr. Litvinoff stated in the above-quoted note, "are prepared to go to any length of concessions as far as the real interests of other countries are concerned," of course with the understanding that no agreements entered into should impair the sovereignty of the Russian people, as expressed by the Russian Socialist Federal Soviet Republic.

On the part of the Russian Socialist Federal Soviet Republic there thus exists no obstacles to the establishment of proper relations with other countries, especially with the United States. The Soviet Government of Russia is willing to open its doors to citizens of other countries for peaceful pursuit of opportunity, and it invites any

scrutiny and investigation of its conditions, which I feel sure will prove that peace and prosperity in Russia and elsewhere, in so far as the prosperity of Russia affects other countries, may be attained by the cessation of the present policy of non-intercourse with Soviet Russia, and by the establishment of material and intellectual intercourse.

Russia is now prepared to purchase in the American market great quantities of the following commodities, commensurate with the needs of 150,000,000 people: railway supplies, agricultural implements and machinery, factory machinery, tools, mining machinery and supplies, electrical supplies, printing machinery, textile manufactures, shoes and clothing, fats and canned meats, rubber goods, typewriters and office supplies, automobiles and trucks, chemicals, medical supplies, etc.

Russia is prepared to sell the following commodities: flax, hemp, hides, bristles, furs, lumber, grain, platinum, metals, and minerals.

The Russian Government, in the event of trade being opened with the United States, is prepared to place at once in banks in Europe and America gold to the amount of two hundred million dollars (\$200,000,000) to cover the price of initial purchases.

To insure a basis for credits for additional Russian purchases in the United States, I suggest that detailed negotiations with my Government will evolve propositions fully acceptable for this purpose.

I am empowered by my Government to negotiate for the speedy opening of commercial relations for the mutual benefit of Russia and America, and I shall be glad to discuss details at the earliest opportunity.

Industrial Unrest

(From the Babson Statistical Organization to its capitalistic clients,
February 25, 1919.)

NOTE:—Babson is the Industrial Weathercock of Capitalism.

We are sitting on a keg of powder. It is well enough for prominent men to give out optimistic interviews, but such talk is largely for effect. The statistics which they give may be true, but they don't tell the whole story. Fundamental economic conditions are bad and it is useless to deny it. We should give many reasons for this statement, but shall only mention two basic reasons:

(1.) This composite plot shows clearly that a period of trouble and depression is ahead. It cannot be sidetracked. We can prepare for the reaction and prevent it from being disastrous, but to stop it is impossible.

(2.) The industrial classes in many parts of the world are at the point of revolution. Insiders well know that the uprising of the masses in Germany was a vital factor in ending the war, and the disturbances in that country are likely to become worse when peace terms are imposed. We know something of the terrible conditions in Russia, but little is being told us about the bad industrial conditions in Italy, France, Spain, Japan, Holland, and Great Britain. In all these countries strikes are numerous. On account of the law of equal and opposite reaction, things are not as bad in America as in Europe. The idea, however, that these convulsions can take place in Europe without some reaction in America, is probably foolish. The United States is destined to have great labor troubles unless employers immediately adopt different methods. These troubles will start with the textile industry, the copper industry, or possibly the steel industry. The coal and electrical industries will also be affected. America may see the darkest period of its history in the coming days.

What does this mean to clients? It means that business will be jolted, the earnings of the masses will be cut down, and their purchasing power will be greatly curtailed. As people cease to buy, manufacturers will cease to produce, and many workers who have not quit voluntarily, will be laid off for lack of orders.

The vicious circle will again be in evidence. The prices of certain basic commodities, such as steel, copper and other metals, will continue to decline. There may not be such an extended decline in the manufactured goods, which so largely enter into the cost of living. Owing through interference with production through industrial unrest, the shortening of hours, and general inefficiency, prices of manufactured goods may for a while continue relatively high.

During the past years, the influence of the farmers in this country has been mostly on the side of conservatism. When, however, the trade routes of the world are again freely opened, American farmers are going to get a decided shock. Wheat will drop to a dollar

a bushel, while corn and other cereals will fall correspondingly. The prices of farm products will drop much more rapidly than the farmer's expenses. This is going to make him ugly, and Socialism will appear mild compared with some of the propositions which farmers will be making a year or two from now. The farmers of the Western states will unite with the industrial workers of the Eastern cities in attempting most dangerous legislation.

Our Mercantile and Labor Services are constantly advising clients how to shape their business to prepare for these startling events. Different lines of industry must use different methods of insurance. Those who recognize conditions and prepare an outlet for their people's desires may get by. Those who try to dam the flood will be washed away. Our government has said so much about democracy, that the masses are now determined to have it, and to have it apply to industry, as well as politics. Farsighted employers and merchants, instead of attempting to block the masses in their endeavors, will at once get busy to devise means whereby they can reach their goal without bloodshed and the destruction of property.

A Word on the Building Situation.

As above suggested, the coming industrial unrest must be prepared for and made less harmful. We endorse the Government's campaign for the stimulation of public works, the building of homes, and construction of all kinds. Reaction must come, and the only hope in the situation is to give the masses as much help as possible, so that the reaction will not be so severe. The building industry may become such a buffer. Construction work, both public and private, should be encouraged by every employer. It is a check to anarchy, Bolshevism, and I.W.W.ism in this country. Every client should use his influence with his local community, his representatives to the State Legislature and Congress to push public works with all possible speed. Clients also have an opportunity to perform personal patriotic service by building at this time.

Prices will be lower later, but it is a good deal better to build now and head off anarchy, than to wait until it is too late, for the sake of saving 20 percent. Spend the money now and then charge 20 per cent to insurance, good-will, or something else. Clients who already have plans for building and who have suspended the same on account of high prices, should again ask for bids. Clients who in any way contemplate building should at least have plans drawn. Mind you, we are not pretending that now is the cheap time to build. On the contrary, it is an expensive time to build, and we frankly say so. But it is much better to build now at a high cost and save business, than it is to wait for lower prices and run the risk of anarchy.

What Is Happening Abroad

The war of nations in Europe is over, but the great class-war