

# BRITISH TRADE WITH RUSSIA

## DEMAND FOR RECIPROCAL BASIS

### TIMBER CONTRACT AND EMPIRE INTERESTS

The executive council of the Association of British Chambers of Commerce have adopted a second report presented by the association's committee on trade with Russia.

A year ago the association urged that an arrangement with Russia on a reciprocal basis was essential—our purchases from Russia being regulated to an amount approximately equal to the amount Russia buys from us, plus the value of our invisible exports to Russia. The present report reiterates that view. The association, it states, is of opinion that in arranging any new trade agreement between this country and Russia the following among other suggestions should receive consideration:—

Any new arrangement should be of a temporary character only, and intended to serve as a *modus vivendi* pending the conclusion at some future date of a formal treaty of commerce and navigation.

In view of the U.S.S.R. Government's monopoly of foreign trade, our relations with other countries should not be taken into consideration in the preparation of the new agreement.

The new agreement should aim at placing the trade between the two countries on a reciprocal basis, and provide not only for the protection of British industries and agriculture, but for the protection of Dominion industries and agriculture as well, in conformity with the principle laid down in Article 21 of the Agreement with the Canadian Government adopted at Ottawa in August, 1932.

In arranging for such protection as is referred to above, prices and standards of labour in this country and in the Dominions as compared with Russia should be taken into consideration. It is believed that such protection might be obtained by a system of licences and/or quotas and/or prohibition.

The association considers it essential that in any new agreement Russian shipping should be given no advantage over British shipping.

#### OPENING THE MARKETS

As it is contemplated that on the termination of the Five Years Plan the demand for machinery and tools will largely cease, exports from this country to Russia may in future be much reduced. To provide against this contingency Russia should give access to its immense markets for consumers' goods.

The committee is opposed to the extension of the system of export credits for the promotion of trade with Russia and believes that if trade between the two countries is arranged on a reciprocal basis it should prove unnecessary. In the event, however, of its being necessary to grant credits to promote trade with Russia, the security for such credits might take the form of a lien on exported goods, or some other concession.

In negotiating any new agreement, temporary or otherwise, it is contended that his Majesty's Government should stipulate for the recognition of old debts contracted by Russian subjects and for the payment of compensation for British property confiscated in Russia.

### RUSSIAN TIMBER SUPPLIES

#### PROPOSAL FOR RESTRICTION

Advance selling to individual British firms is expected to begin any day now under the contract by which Timber Distributors, Limited, have agreed to take 395,000 to 435,000 standards of Russian timber during the present year.

In the absence of a statement from the British Government of its future policy with regard to the admission or restriction of Russian timber supplies, firms who are not directly interested in the contract with the Soviet, and who wish to give an equal chance to Canadian and Scandinavian exporters in the British market, are already complaining of the repetition of the uncertain prospects for other timbers that the Russian contract has begun to create.

They point out that the effect of the terms of this monopoly supply is to force down the

prices and to keep down the supplies from other countries, while giving the Russian supplies an unrestricted sale at steady and profitable prices. The result, they maintain, is to give to Russian timber a definite and a very valuable commercial preference in the British market, which is considered to be greater than the 10 per cent. *ad valorem* duty on non-Empire timbers intended to assist the Canadian trade in softwoods.

Several responsible trade authorities suggest that the fairest plan of dealing with the whole timber situation would be to restrict the Russian supply to some 300,000 standards. They consider that this would give an equal opportunity to all other suppliers to enter the market on reasonable terms.

### RESULTS OF FIVE YEARS PLAN

#### STALIN'S CLAIMS

FROM OUR RIGA CORRESPONDENT

The Soviet authorities in Moscow have now published the text of the five-hour speech which Stalin made recently at the conference of the Central Committee and Central Control Commission of the Communist Party.

Stalin dealt in detail with the chief branches of economic and political activity in the U.S.S.R. The view had become widespread, he said, that the Soviet currency was valueless, but he claimed that the Soviet currency had better security than gold reserves. He argued that the construction of power stations, tractor works, motor works, hundreds of thousands of collective farms, and thousands of State farms was proof that the Soviet currency was not valueless, because these were paid for with Soviet currency.

#### "ANTI-SOVIET CLASSES"

Dealing with the efforts made since 1928 to destroy the anti-Soviet classes, Stalin said that remnants of the nobility, clergy, *kulaki*, former officers and police, and all sorts of intellectuals remained undestroyed. They had crept into industrial enterprises, railways, and shipping, and even into the Communist Party, but, above all, into the collective and State farms, disguised as workmen and peasants and imbued with hatred of the Soviet system. They knew their time was short, and were therefore now making desperate efforts to upset the system by silent undermining—destroying stores, sabotaging machines, and wrecking collective and State farms.

Many Communists looked on this phenomenon unperturbed, thus condoning counter-revolution. That was why, Stalin said, the Soviet Government were determined strictly to enforce the recent Property Decree [prescribing death as the penalty for theft]. This decree must for the present remain the basis of Soviet revolutionary law.

#### FORMER COMMISSARS DEGRADED

Tolmakhoff, formerly Commissar for Home Affairs of the R.S.F.S.R., and Eismont, formerly Commissar for Supplies, have been expelled from the Communist Party of the Soviet Union for alleged complicity in a plot last year against the Communist Party. They are held responsible for the revolt of collectivized peasants in the Kuban and North Caucasus regions against grain levies. Rykoff, the former Chairman of the Council of People's Commissars of the Soviet Union, and Tomsy, the former head of the Soviet trade union organization, have been accused of knowledge of the plot and warned that they will be further degraded unless they cease opposing Stalinist policy.