

America and the Recognition of Soviet Russia

By I. A m t e r.

The question of closer relations with Soviet Russia if not of recognition, is occupying the center of the stage in America at the present time. A number of United States Senators and Congressmen visited Soviet Russia last summer; business men and bankers have inspected the country. All of them, with the exception of Congressman Britten, have spoken in favor of closer relations with Soviet Russia; a few have been even for recognition.

The present discussion is the climax of a campaign that has been going on for the past year, under the particular leadership of Senator Borah. Although Borah was prevented from visiting Soviet Russia this past summer, he has been the most outspoken champion of recognition. He has been able to mobilize considerable sentiment for his position, not only among the workers and farmers, but also among the industrialists and financiers.

The sentiment among the business men and bankers has been based on practical needs. Steel production has been carried on in the United States at a tremendous speed. The country has not been able to absorb all the production: the boom that started about a year ago is practically over, and the steel mills are beginning to slow down. The United States Steel Corporation, which was at one time working at 95% capacity, is now operating at 80 per cent; the Independent mills are working only at 60 to 70% capacity. There is a huge surplus of iron and steel and the unfilled tonnage is diminishing.

For several years, both during and since the War, America has been turning more and more to the South American market. But South America is in no position to take a large portion of American production for the simple reason that South America is an exporter of raw material, primarily to Europe. Europe is unable to buy this material, and as a consequence trade with South America is slowing down. Hence American steel manufacturers are turning to the biggest market that the world has to offer, viz., Soviet Russia. The reports of travelers to Soviet Russia have convinced the manufacturers that Soviet Russia is solvent and that industry and agriculture are on a stable basis. They feel convinced that Russian Communism is on the wane, and business with Soviet Russia on a sound foundation.

The French occupation of the Ruhr and the union of the iron of Alsace-Lorraine with the coal of the Ruhr has placed France in a most favored position. This union is making France a formidable competitor in the steel market of the world. The United States does not look upon this competition with equanimity. France, furthermore, is seeking closer relations with Soviet Russia. Several missions have already visited Russia; several English missions have likewise been in Soviet Russia and have reported most favorably on trade relations. Only the United States stands outside: her situation in Europe is fraught with danger.

The farmers of America are in a serious situation. There is a huge surplus of wheat on the market: 200,000,000 bushels last year and 160,000,000 from this year's crop. This, despite the fact that wheat production was reduced this year. The farmers have been clamoring for a reduction of the freight rates, as a means of relieving their position. In 1913, the railroads received 13% of the price of corn, in 1923, the railroads and distributing agencies took 47% of the price of corn. The railroads, realizing their power, refused to make any reduction. The farmers again looked to the restoration of the German market. This has been frustrated by the chaotic condition into which Germany has been plunged by capitalist machinations and the occupation of the Ruhr. When Coolidge announced a loan to Germany to the amount of 150,000,000 dollars for the purchase of food in the United States, the farmers applauded him. A representative of the Farm Bureau, who was in Berlin at the time, declared that the farmers of America would support the idea. But this again has for the time being been thwarted. America does not yet consider the moment propitious for taking a hand in the German situation and settling it with American gold.

American farmers have been frightened by the news of the increasing quantities of grain that Soviet Russia is putting on the international market. Russian grain is cheaper than American grain: there is great danger for the American farmer that his produce will be forced off the European market. Hence he demands that the American government come to an arrangement with the Russian peasants with regard to grain prices on

the international market. America is approaching an election and the six million farmer votes are not to be despised. Coolidge, therefore, is listening to their demands, not only to appease the rebelliousness which is rising, but also to capture their votes! A very skilful election manoeuvre!

Before the earthquake in Japan, America became apprehensive of the growing power of Japan and her encroachments in the Far East. The Japanese disaster has put an end to the aims of Japanese Imperialism for some time to come. Even though the Japanese government announces that the state of Japan is sound, all of her resources, nonetheless, will be required to restore the industries and buildings that have been destroyed. Had conditions been as before the earthquake, America would have needed the aid of Soviet Russia in the Far East. As things are today, American will take advantage of Japan's embarrassment to draw Soviet Russia nearer and make a friend of her for future purposes.

Hughes is taking an intransigent stand. He has been against relations with Soviet Russia, as being „unfit“ for contact with „civilized“ nations. He roundly declares that America must have nothing to do with Soviet Russia. He stated most recently, during the discussion in the Cabinet, that either this condition must continue, or America must recognize Soviet Russia *de jure*. This is sheer bluff, for Hughes would oppose nothing more energetically than any kind of recognition. Hughes is a possible choice as the candidate of the Republican Party. If Coolidge is trying to disarm the Progressives and is making a bid for the nomination, Hughes is going him one better and offering the Progressives still more.

Samuel Gompers is an inveterate foe of Soviet Russia. On fitting and unfitting occasions, he assails Sovietism and Communism. At the convention of the American Federation of Labour, a resolution calling for the recognition of Soviet Russia was overwhelmingly defeated. Gompers has not the rank and file of the organized labour movement behind him. Gompers' dictum in political matters, and that of the American Federation of Labour have no weight with the American workers, who act as they please. Coolidge knows that and disregards Gompers. The fact, however is that large masses of workers, without being sympathetic to Soviet Russia, demand „Hands off“.

The political, industrial and financial situation is placing the question of Soviet Russia before America as an issue. Elections, too, are coming. Borah may well be satisfied with things