

6. Through the creation of Government and district soviets for the regulation of public affairs an organization for conducting the business of the people has been secured. These soviets are elected by the organizations of the workmen and employees and are supplemented by specialists (men with managerial or technical training) who may not, however, exceed one fourth of the membership in number. These soviets are already functioning in 37 governments (Russia consist, *de jure*, of 68 governments, if the following territories are included: Esthonia, Livonia, Krim, the Don regions, Georgia, Siberia and White Russia). The Supreme Council of National Economy which is at the head of these soviets became active on the 21st of December, 1917.

7. More than 20 Central State Bureaus have been created, each one of which functions as organ of the Council of National Economy supervising the activity of its provincial subdivisions in the provincial soviets. Each one of these Central Bureaus controls one industry with a view to preparing it for complete nationalization. Legally, all medium and large industries have been declared public property. (In accordance with Section 8 of the Decrees of the Soviets.) In most cases, however, the former owners have been left in control pending the establishment of state administration. Actually under the exclusive control of the proletarian national administration are not only the banks, transportation lines and fuel production, but also the sugar industry, the production of platinum, of railroads, locomotives, tracks, and about 400 individual large plants of different industries.

8. A systematic control of production has likewise been introduced. Thus, for instance, instead of 40 different types of plows that were formerly manufactured under a system of individual enterprise, the number has been reduced to 7 normal types.

9. The proposed system of financing industry is already in operation. The administration of each nationalized enterprise may use the credits allotted to it by appropriation for other purposes than those defined in the budget. The administration will, in such cases, be held responsible.

The administration of nationalized industries is conducted along the following lines: One third of the members of the administrative board are elected by the workmen and employees, one third by the All-Russian Federation of Labor Unions of the industry in question and one third by the national Industrial Department. To these the management is responsible.

10. The system of state buying and state contracting is already beginning to take root. Among others, 500 million rubles have been voted for the purchase (for sale) of cotton. The purchase was made in Turkestan (where the Bolsheviki are still enjoying an untroubled existence

and which has remained in communication with Russia by way of the Caspian Sea). 250 million rubles were used for the purchase of wool, 400 million rubles for the purchase of farming implements, almost a billion rubles for textiles. (These purchases must, of course, be understood as book transactions.) The number of cooperative stores has multiplied remarkably. (There are over 30,000.) Thanks to these and other measures private commercial enterprise is gradually completely dying out. This expropriation of private buying and selling which will, in all probability, be completed by the end of next year, will put an end to the evil of speculation, under which Russia is suffering even more poignantly than other nations.

11. For the first time in the last two years an accurate budget has been adopted. Neither the Czar in the last period of his rule nor Kerensky published a budget. The proletarian regime has cleared up the finances of the country and has remarkably reduced the unproductive expenditures, particularly the expenditures for military purposes. The following enterprises for the increase of the productive forces of the nation have been undertaken: the irrigation of the "Hunger Steppes" in Turkestan for the purpose of increasing cotton lands (over 500,000 hectares), the building of two overland power stations on the rivers Sveiri and Volkhoff, for the supply of electric power to Petrograd, for industrial purposes as well as for the railroad terminus; the amelioration of almost a million dessyatines in the Moscow region for the increase of territory for the raising of grain; the building of a canal from the Volga to the Don.

12. A system of employment bureaus, such as never before existed in Russia, has been created, under the management of workingmen. Unemployment insurance is already actually established. The Labor Union Federations have worked out a number of disciplinary regulations. Compulsory reassignment of dwellings is under way; spacious dwellings of the bourgeoisie are being turned over to workingmen's families that formerly lived in narrow hovels. An annual vacation with full pay has been provided for all workers, etc. And in spite of this social legislation farmers' plows from Russia are being sold in the Ukraine more cheaply than the same kind of plows from Germany. There are no compulsory employment regulations, but, according to the Russian laws, every worker in Petrograd and Moscow is entitled to two and one half times as much food and clothing as the bourgeois.

13. In the spring and at the beginning of the summer the provisional distribution of the lands confiscated from the large landholders was made effective. All lands came under government control, and about a thousand collective agricultural establishments were organized. Universal education of the peasants has actually been provided for. For the first time in the history of Russia the expenditures for education exceed the expenditure for the army. Planting was done this year to almost the normal extent.