

DENIES U. S. RECOGNITION WILL BRING SOVIET TRADE

**Kerensky's Former Secretary
Shows Russia Was Never
Big Customer Here.**

**RECOGNIZED BY BERLIN,
GERMAN FIGURES FALL**

**Data Reveal That Diplomatic
Intercourse Has Little
Bearing on Business.**

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ter Kerensky.

If we are to believe the partisans who advocate the recognition of the soviet government, such recognition would bring about the most beneficial economic results for this country. According to them the principal obstacle to the development of trade between the United States and Russia has been non-recognition. As soon as it is granted—they assure us—the soviet bride will give a very rich dowry to American business. On the other hand, the opponents of recognition like to frighten us with the stories of thousands of agents of the third international, tales of hundreds of plots and a red revolution, as the results of soviet recognition.

In my judgment both of these opinions are exaggerated. The truth is that recognition at the present moment can not have any considerable effect—either positively or negatively—upon the economic and political life of the United States. The following facts go to prove the validity of this statement:

First of all, the trade between Russia and the United States played a very small part in the total foreign trade of both countries even before the war. This is seen from the following figures:

United States exports, average 1910-1914: Total, \$2,166,000,000; per cent, 100. To Russia, \$40,000,000 (79,093,000 gold rubles); per cent, 1.8.

United States imports, average 1910-1914: Total, \$1,689,000,000; per cent, 100. From Russia (1913), \$7,000,000 (14,155,000 gold rubles); per cent, 0.4.

[All figures are taken from the statistical abstract of the soviet government, "Narodnoie Khossistvo Souza C. C. P. v. Zyfrakh. Moscow, 1924, pp. 200-201, and from Commerce Yearbook of the U. S., 1923, p. 465. One gold ruble is equal to \$0.5146."]

Russian Trade Drops.

Of the total Russian exports in 1913, the exports to the United States were only 0.9 per cent. Of the total Russian imports in 1913, the imports from the United States were only 5.7 per cent. These figures show that even before the war Russia played a very insignificant part in the foreign trade of the United States. During the last few years the total foreign trade of Russia greatly diminished, owing to the economic ruin brought about by the revolution. The total Russian imports in 1923 amounted to only 153,000,000 gold rubles, while the total exports were valued only at 205,000,000 gold rubles. It is natural, therefore, that the trade of Russia with the United States has greatly diminished also. This is seen from the following figures:

Exports of the United States to Russia: 1918, 16,885,000 gold rubles; 1919, 7,000 gold rubles; 1920, 997,000 gold rubles; 1921, 39,794,000 gold rubles; 1922, 38,937,000 gold rubles; 1923, 18,696,000 gold rubles.

Imports to the United States from Russia: 1918, 683,000 gold rubles; 1921, 400 gold rubles; 1922, 2,100 gold rubles; 1923, 797,000 gold rubles.

Of the total exports of the United States valued at 4.168 million dollars in 1923 the exports to Russia comprised only 0.3 per cent. Of the total imports of the United States in 1923 valued at 3,792 million dollars, the imports from Russia comprised only 0.01 per cent. Granting that recognition will even double these figures, we have no reason to look for any considerable effect of it upon the economic life of the United States.

Meaningless to Trade.

The second proof of my statement is the fact that foreign trade with soviet Russia during these years has depended to a small degree upon recognition. If it were determined by recognition, the countries which granted it should have increased their share in the total trade of Russia in comparison with that of 1913. On the other hand, the countries which did not grant recognition should have a smaller share in the total foreign



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trade of Russia in comparison with that of 1913. The real facts do not confirm this expectation. This is shown by the following figures:

Per cent of imports of Russia from different countries compared with the total Russian imports in		1913	1923
Imports from—		P. Ct.	P. Ct.
Germany	47.4	30.0
Great Britain	12.6	20.9
The United States		5.7	10.5
Other countries		34.3	28.6

Total imports ... 100 100

In spite of recognition granted in 1921 the share of Germany in the foreign trade of Russia diminished from 47.4 per cent in 1913 to 30.0 per cent in 1923, while the share of England and the United States, in spite of their nonrecognition, not only did not diminish, but considerably increased. Whatever may be the causes of this fact, it shows that foreign trade with Russia depends little upon recognition. Further, if we take into consideration that years are necessary to restore the economic life of Russia; that her population is now poor and has a very low purchasing power; that unless the present regime is changed the revival can not proceed rapidly; we must conclude that the enthusiasm of the partisans of recognition regarding its beneficial effects on American business is based upon illusions rather than upon the reality.

Concessions an Illusion.

"Grant recognition to the soviets and America will get the richest concessions from the soviet government." Such is the statement of "the recognizers." It is illusion again. Why? First of all because nonrecognition did not prevent the Americans from obtaining concessions from the soviet government. According to the number of the concessions granted by the soviet rulers to all foreign countries the United States already has second place. Further, nonrecognition by America did not stop the soviet government from taking arbitrarily the German concession on magnesium and offering it to Harriman Company of the United States. These facts show again that the granting of soviet concessions depends little upon recognition. Third, up to this time almost all of soviet concessions exist mainly on paper. Since the soviet government is breaking agreements as it pleases, since there are no real laws and justice in soviet Russia, only a few adventurers in business will invest money for the exploitation of the concessions obtained. It is not strange, therefore, that a considerable part of these concessions have not been exploited up to the present time; another part has been arbitrarily annulled by soviets, among them the Sinclair oil concessions; a third part, among them the earliest and the biggest concession to the German Wolf Co., has been annulled by the companies themselves because of their financial losses and the impossibility of carrying on any sound business under the conditions existing in soviet Russia. This explains why the exploitation of concessions which demand an investment of money is scarcely possible at the present moment and why concessions exist mainly on paper.

Government Is Unstable.

As to the validity of the concessions granted in the future, their validity will scarcely remain. Any future government of Russia will not be bound, either juridically or factually, by the agreements of the soviet government. Juridically they will not be bound, because the existing government is not the government of Russia, but "the government of the union of the soviet socialist republics," in the title of which the very word of Russia and Russian is absent. Factually the future Russian government will not be bound because the present government is not based upon either historical rights or the will of the people expressed in free election and representative institutions. Lastly, my statement is supported by the experiences of the countries which have granted recognition. The soviet bride did not bring any considerable dowry to her foreign bridegrooms after the political marriage.

The above does not mean that I do not believe in very intensive economic cooperation between the United States and Russia in the fu-

**America, Now Second in List
of Concessions, Existing
Mainly on Paper.**

**OF LITTLE VALUE NOW;
LESS IN THE FUTURE**

**Will Be Repudiated, Thinks
Prof. Sorokin, by Next
Russian Regime.**

ture. I do believe in it. But this possibility can only be realized when Russia revives economically. Time is necessary for this revival and some other conditions; the liquidation of the present economic system and the present political tyranny which is suffocating Russia economically, mentally and morally; the establishment of private property and law; the establishment of the national government freely elected by the people and many other conditions. These conditions can not be created or facilitated by either recognition or nonrecognition. Their realization depends entirely upon the Russian people and their ability to bridle the tyranny and destructive activity of the present rulers of Russia.

Exaggerate Recognition Ills.

If the optimism of the adherents of recognition is unfounded, the alarm of its opponents, it seems, is also exaggerated. It is probable that recognition will lead to an increase of activity on the part of the third international in this country. At least, the experiences of all countries which have recognized the soviet government lead to this conclusion. There has been no exception to the rule that, as soon as recognition has been granted, it has been followed by an increase of communist activity, plots and riots in the countries of recognition. The same processes are likely to occur in this country if recognition is granted, but this possibility does not give any cause for alarm. It only means that there will be a little bigger job for the police and the secret service, and a little more excitement which is craved by many in peaceful American conditions. That is all. If the third international has been unable to overthrow the government in any country during the past few years, not even in Esthonia and Bulgaria, we may be sure that, if not only the agents, but the whole third international be brought into this country and be given complete liberty of propaganda, they could not do anything more than increase a little the work of the police and the excitement of the citizens.

To sum up: From the economic and political standpoints, the recognition of the soviet rulers is unlikely to call forth any considerable change in the life of this country or in the life of Russia. From this standpoint there is no reason either to welcome or to fear it.

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*Exclusive of famine relief imports.