

The small numbers of cattle returned are probably due to the fact that the original evacuation from west to east was much less successful in agriculture than in industry. Most of the cattle remained in the west in 1941-42, only to be requisitioned by the Germans or to perish in the fighting.

What is perhaps more surprising is the relatively small number of tractors (5 to 10 per cent. of the pre-war stock in some districts) to be returned and the great emphasis played on supplying the farmers with horse-drawn ploughs. These other agricultural implements must be delivered by the People's Commissariat for Armaments, which at the beginning of the war took over the factories producing agricultural implements, and converted them to production for war.

Similarly, the supply administration of the Red Army has been ordered to allocate from booty specified quantities of equipment to the reconstructed machine tractor stations in every liberated area—and thus to turn German swords into Russian ploughs.

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There is no evidence so far that any policy on the ways and means of reconstruction has crystallized in Russia. The new decree is hardly more than a short-term, though amazingly thorough, measure to meet the most urgent needs of the moment.

As the victory draws nearer, however, the pressure of economic facts calls for a broader formulation of Russia's programme of reconstruction. This, in its turn, involves the linking-up of domestic economic issues with international problems. Russia will unavoidably need the aid of foreign economic resources in the rebuilding of its agriculture, and in the switching-over of its industries from peace to war.

Indications so far suggest that two parallel lines of action are being contemplated in Moscow. One is directed toward economic co-operation with the Allies. This line of action has found its most distinct expression in the attitude of the Soviet delegation at the Food Conference at Hot Springs. The other is to shift at least a part of the burden of reconstruction on to the shoulders of the defeated enemy, by compelling him to pay reparations and indemnities for the damage done to Russia.

It is highly significant that Moscow has so far been the only Allied capital in which the demand for reparations has been firmly and unequivocally stated. An official Commissariat has for some time been preparing the list of Russia's material losses and assessing their size in terms of finance. Ideological considerations, which in the past caused Russia to take a hostile attitude towards reparations under the Versailles Treaty, have now been discarded.

The case for reparations was recently stated by Professor Varga, the former chief economist of the Communist International, who bitterly criticized the Versailles reparations for more than twenty years.

Professor Varga now declares that Germany could easily have met its financial obligations after the last war and that the burden of reparations was a myth. At the same time, the Russian economic spokesman has raised the problem of reparations not only for Russia, but also for all the occupied nations. The question is still open whether Russia will ultimately put the stronger emphasis, in its reconstruction programme, on economic co-operation with the Allies or on reparations from Germany.

