

INTRODUCTION

My recent oversea exploration of the economic policy problems that arise in connection with East-West trade, carried out on the authorization of the Subcommittee on Foreign Economic Policy, took me mainly to the Soviet Union. I concentrated my inquiry on the U.S.S.R., during the last of November 1961, in the attempt to find answers to the pertinent questions through interviews with responsible officials and through direct observation, to the extent that such observation is feasible or meaningful in a Communist-governed country.

In arranging appointments with the appropriate officials in the U.S.S.R., we ran into the usual measure of delay, uncertainty, and indirection. Nevertheless, we succeeded in holding productive interviews with high level officials of the Soviet Ministry of Foreign Affairs, in the State Committee for Cultural Relations with Foreign Countries, in the Ministry of Foreign Trade, and with representatives of the Supreme Soviet of the U.S.S.R.

In exploring the area of Soviet trade trends and prospects, I made specific inquiries as to what are the plans of the U.S.S.R. with respect to its likely participation in international agreements on patents and copyrights. Another area which I explored in these exchanges was the possibility of working out a mutually acceptable code of trading practices between the West and the Soviet bloc which would take account of the difference in trading institutions in effect in the two systems and provide a mutually acceptable formula for protection against such hazards as dumping and other unfair trading practices.

In the course of these encounters with Soviet officials, I also had the opportunity on a number of occasions to express my own views on present trends in world trade, calling attention to the fact that the flexible, multilateral system of international trade is showing every sign of winning out over the more rigid bilateral method of trading. On such occasions I also ventured my personal opinion that, under present conditions of rapid technological change, economic autarchy and minimization of foreign trade could not be an adequate policy for the great industrial nations of our times. I stated that our own national experience and that of the other economically advanced countries around the world has demonstrated the fact that the industrial nations are each other's best customers and that the outlook for the future is for a tremendous expansion in such trade commensurate with the growth in industrial development among the nations of the world.

I came away confirmed in my belief that the Communists fear most the potential of an economically integrated Atlantic community and, eventually, an economically integrated free world, and that, therefore, their hope for advantage resides now in exploiting any divisions in the economic policies of the Atlantic community. This report is intended to contribute to the formulation of policies which, by uniting the free world in its economic dealings with the Soviet monolith, can rebuff Communist expectations of penetration through trade.