

bloc market, but the Communist economies are not deprived of that product, not so long as producers in another advanced industrial nation are governed by a less restrictive national export policy.

In short, the line of economic action must run along the outside boundary of the community of industrialized nations. Only then can the governments of these countries be secure against bloc political depredations through commerce. Only then can they, moreover, carry out their responsibilities related to the protection of their industrial innovations and the compensation and encouragement of the inventiveness and the creative enterprise of their citizens.

II. THE OPPORTUNITIES FOR BETTER COORDINATION OF WESTERN POLICIES

A. THE STEADY EXPANSION OF EAST-WEST TRADE

One essential fact in the present situation is that the scale of commodity trade between the West and the Communist bloc has been steadily rising in recent years. Whereas in 1953, the value of all goods imported by the countries of the Communist camp from the outside world amounted to \$1.4 billion, by 1960 this same import trade was measured by a figure more than three times as large, namely, \$4.4 billion. At the same time, as a result of its increased participation in trade outside the bloc, the Communist camp has become a more important factor in world trade. Its relative share rose from 1.8 percent of world trade in 1953 to 3.8 percent in 1960.

As far as the industrialized countries of Europe are concerned, the increase in trade with the bloc since 1953 has been ever larger, nearly fourfold. The Communist countries have stepped up, in particular, their procurement from Western Europe of finished industrial products, especially machinery and equipment. The strong trend towards finished industrial products may be illustrated by a few figures from the statistical record.

[In millions of dollars]

	1953	1959	1960	Index ¹
Total exports to Soviet bloc (European Cocom countries)	1,595	1,686	2,018	127
Machinery and equipment	303	369	514	170
Other manufactured goods	678	711	858	127
Chemicals	190	235	224	118
Crude materials	220	169	197	90

¹ 1960 as percent of 1953.

What these figures indicate specifically is that Western exports of machinery increased by 70 percent during the latest 3-year period, as compared with a 27-percent rise in exports across the board to the Soviet bloc.

B. THE SOVIET APPETITE FOR WESTERN TECHNOLOGY

One factor, therefore, looms quite large on the present horizon of East-West trade, namely the manifest strong interest of the Soviet leaders in the economic fruits of their trade with the West. They are, by all indications, strongly bent on continuing and possibly widening