vided there is no war, some Western industries, depending upon the particular emphasis at any moment within the bloc, will continue to receive periodically large orders with a view to help modernize some neglected sector of production in the U.S.S.R. or in the satellite countries.

At the same time, some of the business people we talked to are not too seriously disturbed over the Soviet habit of importing pieces of new equipment to be used as prototypes for copying. It takes them so long to get these models into production, they report, that by the time they are fully "tooled up," the more advanced model being produced by the outside firm has already rendered the copied model obsolete. Some producers, in fact, regard this Russian habit of copying as an implicit way of building obsolescence into large parts of their industrial system.

IV. The Unique Position of the Soviet Satellites

Despite their heavy mutual involvement in intrabloc trade, it is quite clear that the commercial needs of the satellite countries are quite different from those of the U.S.S.R. As smaller economies, these countries are far more dependent on foreign trade than is the continental land mass of the U.S.S.R. For the most part, furthermore, the satellites have a number of important industries that are heavily oriented toward the world market, either as an outlet for their surplus production or as a source of the raw materials required by these industries. Typical surplus industries are coal in Poland, steel in Czechoslovakia, oil in Rumania, electrical machinery in Hungary, etc. As a consequence, these countries cannot consider autarchy as a feasible national economic policy. Furthermore, they are in close touch with and well informed about the world market. They know the alternatives in quality between the goods available for procurement from the export-conscious trading nations of the world as against the goods available for import from other parts of the bloc.

Under present conditions, of course, they do not enjoy the freedom of action they need. They do not earn enough foreign exchange in the world market to exercise their choice in imports. To that extent, they are thrown back into a state of heavy dependence upon the resources of the bloc in general, and the U.S.S.R. in particular. Yet, their special skills and their finished products are well known in the outside world. They also still possess skilled trading personnel with recent world trade experience who make more congenial commercial partners than the thoroughly bureaucratic commercial offices of the ministerial structure in the U.S.S.R.

The Western nations would indeed be performing a genuine service to the cause of the international division of labor, and indirectly to economic betterment within the smaller countries of Eastern Europe, if a way could be found to provide them, as a start, with a chance for increased access to the markets of the world. Such a move would be in keeping with the present trend toward more abundant trading opportunities and toward reduced barriers to world commerce. It is reasonable to assume that the Soviet Union would not raise any great objection to a more active participation by the smaller countries of Eastern Europe in trading with the world market, even if selling nations took precautions against transshipment and indirect help to the U.S.S.R.'s economy of a kind it could not get directly. Such in-