

creased exchanges could bring economic benefit to the people of these countries, by way of helping them to put to optimal use their economic resources, with greater independence of the U.S.S.R., and thereby raise the standard of living and the morale of their citizens.

Even at present, it is quite striking to see how much more active the satellites are than the U.S.S.R. in the world market. If we look at 1960 data, for example, we find that the satellites imported \$2.2 billion worth of goods from the non-Communist world, as compared with \$1.5 billion imported by the U.S.S.R. from the same market. On a per capita basis, the difference is especially marked: for the U.S.S.R., this amounts to \$7; for the satellites, \$22 per person per annum. Still, it may be reasonably assumed that the potential of the satellite countries for commercial relations outside the bloc is at present not being utilized to the full.

V. THE UNDERDEVELOPED WORLD: A MAJOR ARENA OF POLITICAL DECISION

In a sense, the political friction associated with the movement of East-West commerce has been so strong as to attract a degree of attention that is far greater than is warranted by the economic value of this trade. It is important to remember, therefore, that as far as the Western nations are concerned, the Communist market, though covering an area inhabited by over 1 billion persons, absorbs only some \$2 billion worth of their export product. The value of all exports from the developed countries, by comparison, now runs at an annual figure of about \$70 billion a year.

Viewing the market of the free world as a whole, we find that the bloc imported \$4.4 billion worth of goods in 1960. In the same year, however, the less developed countries of the free world absorbed \$29.7 billion worth of goods of all types. In the important category of machinery, furthermore, the dollar value of exports to the whole bloc market from the West came to \$513 million in 1960. By contrast, the less developed countries, with a population roughly equal to that of the Soviet bloc, import nearly half of all the machinery moving in world commerce.

A. THE FLOW OF EQUIPMENT FROM THE WEST IS ALREADY LARGE

In 1959, for example, the 13 leading industrial nations exported a total of \$19 billion worth of machinery. Of this amount, a flow of equipment valued at \$8.2 billion, or 43 percent of all shipments, went to the less developed countries. Clearly, this is a market possessing great current significance as well as a promising future.

Export of machinery and equipment from 13 industrialized free world countries

[In millions of U.S. dollars]

	1958	1959
To all free world countries.....	17,580	¹ 19,000
To developed countries.....	9,090	10,880
To less developed countries.....	8,490	8,220
Share of less developed (percent).....	48.3	43.0

¹ Of this total, machinery exports from the United States amounted to \$6.1 billion, or 32 percent, in 1959.
Source: United Nations, Monthly Bulletin of Statistics, March 1961.