

The large, sustained flow of Western equipment toward the emerging countries is a phenomenon of tremendous political importance. There are three obvious reasons for such importance. In the first place, this flow assures the continuing delivery of the tools of economic development where they are most needed, where they help to increase the productivity of the new national communities and promote their social stability. Secondly, the demand for this type of export, on a continuing basis, contributes conspicuously to the prosperity of the West, helps to expand the market for industrial equipment and thereby to reduce the cost of production in this vital group of commodities. Thirdly, the massive flow of production equipment helps to dramatize the natural economic complementarity that exists between the West and the developing nations around the world.

Indirectly, too, the very magnitude of this flow helps to underscore the limited volume and spotlight-oriented character of the Communist contribution to the economic development of the emerging nations. For example, under all the development projects of the Soviet Union now in effect outside the bloc, the value of machinery shipped to the less-developed countries amounted to \$68 million in 1960.⁴ Total Soviet exports of machinery to non-Communist new nations in 1960 amounted to \$131 million. Altogether, the Soviet bloc provides roughly \$200 million worth of machinery per year to the developing nations or about 2½ percent of the equivalent commerce of the principal free world exporting nations.

B. THE BLOC IS STAGING ITS EFFECTS

We must, therefore, recognize the belated Soviet venture into foreign aid for what it is, namely a desperate attempt on the part of the Kremlin masterminds to intervene into the sphere of economic relations within the non-Communist world in the hope of disrupting the natural movement of economic cooperation between the industrialized West and the new nations seeking industrial development. They obviously feel that they must prevent this movement from attaining its full momentum. Since they cannot themselves make a sustained and positive contribution to the cause of industrialization among the new countries remotely equal to that of the West, the strategists in Moscow can only seek to prevent the surplus-producing nations from doing the job that needs to be done. They can establish small bases of operations in less developed countries, through their selected development projects, from which they can proceed, as opportunities arise, to sabotage economic and political relations among the non-Communist countries of the world. Unfortunately, as we know all too well, the opportunities for such disruptive operations are ever present. The Soviet propaganda mills try, for example, to exploit the reservoir of resentment by the newly liberated people against some individual nations of the West which have a colonial past. They still seek to make capital from the sense of the insecurity and inexperience of some of the leaders of the new states and try to cultivate the pools of poverty and illiteracy in these areas as potential breeding grounds of communism.

But time, as I see it, is working on the side of the forces favoring political stability and gradual economic betterment. There are

⁴ Foreign Trade (in Russian) monthly organ of the Ministry of Foreign Trade, the U.S.S.R., No. 6, 1961, p.11.