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### Russia's Economic Isolationism

Hopes entertained during the war that a freer flow of international trade and investment could be established throughout the world with the return of peace are on the wane. In particular, it appears increasingly doubtful that the rest of the world can maintain extensive economic relations with the huge area in which Soviet Russia holds a dominant military and political position.

While protests have been registered by the United States Government against exclusive economic pacts between the Soviet and neighboring countries, it does not appear that these are having much effect. The Soviet Government is seeking to obtain the bulk of the capital goods she needs in the form of reparations from defeated countries, rather than through purchase from the United States or other countries. Huge quantities of machinery are being secured from Germany, Manchuria and elsewhere. These seizures naturally reduce greatly import requirements for reconstruction and industrial development.

Russia's foreign trade, under the Soviet regime, is necessarily shaped by Government fiat rather than economic forces. The Russian Government is also undertaking to shape both foreign trade and foreign investment policies of the countries that have been brought within her orbit, such as Poland, Rumania, Bulgaria and Yugoslavia, it has been made evident. So long as this strong trend toward economic isolationism prevails in Russia's sphere of influence, that vast region cannot be included in the plans for a great broadening of international economical relations over the next few years that motivated the Bretton Woods agreements and the reciprocal trade agreements program.

President Truman stated in his foreign policy speech last Saturday that "full economic collaboration between all nations, great and small, is essential to the improvement of living conditions all over the world." But Russia has so far discouraged economic collaboration between Western countries and the countries between western countries and the countries within her sphere of influence. If this continues to be her attitude, a very large part of the Eastern Hemisphere will not be able to enjoy our economic co-operation, although Congress in principle by its favorable action on the Bretton Woods agreements.

American isolationism was blamed for a number of the difficulties of the period between the two world wars. In the post-World War II era, Russia has made clear that she means to pursue a far more isolationist policy than was ever considered by this country.