That Khrushchev's policy of economic competition with the West in underdeveloped countries has not gone uncontested by certain highly conservative elements within the Communist Party itself, has already been alluded to elsewhere in this work. Although the specific parameters of such opposition have not, of course, been publicly discussed, it may be inferred from Soviet materials published since mid-1958 that at least part of such opposition has been directed at the Soviet program of economic assistance to non-Communist (indeed, even anti-Communist) bourgeois-nationalist leaders of newly independent underdeveloped countries. In the pages of Communist theoretical journals there has been evident an increasing impatience, if as yet only on the ideological level, with the progress of "social reform" in these countries and a greater stress on the divergence of interests--particularly on domestic issues--between these governments and the local Communist parties there.

Classically, Communist theoreticians have visualized the transformation of underdeveloped countries to socialism as encompassing a two stage process: in the first stage, local Communist parties would aid "bourgeois national liberalization movements" in their fight to achieve independence from the colonial powers, and in the second stage, the Communists would take over from the "bourgeois nationalists" and further the "social" (Communist) revolution. In February 1959, an editorial in the Russian Communist Party organ Kommunist, announced that "a new stage has arrived in the struggle of the [backward] peoples for their freedom and independence." The further successful development of this new stage, however, depended "on the progressive patriotic forces directing their countries along the path of social progress by means of resolving the agrarian-peasant question, fundamentally improving the position of the working class and democratizing the social structure. The maintenance and strengthening of national independence depends on the successful solution of these problems."

The shift in emphasis in Soviet tactics from supporting "neutrality" in the foreign policy of underdeveloped countries as the supreme virtue to determined efforts to influence domestic developments in individual countries through support (if only verbal support at present) for local Communist agitation for more thoroughgoing "social reform," was made further explicit in a Pravda article of March 6, 1959, on the importance and results of the XXI Party Congress:

It is known that the peoples of the liberated countries are presently at a crossroad in history. They are now faced with the full weight of the problem of deciding what roads to follow. . . .
As long as the struggle for the liberation from imperialism was waged, all strata and social forces of the countries of the East acted within a single national front. However, once the main problem affecting the whole nation—-to conquer political independence--was solved, new processes began to develop gradually in the internal life of the liberated countries. Social problems started to move to the forefront, and class heterogeneity of the national liberation movement began to have an impact. The different classes and social strata now defend their interests, and they hold different views on the road of the further development of their country. . . . The countries which have won national independence want to proceed on roads of their own, bypassing the capitalist stage of development, so as to end the colonialist oppression and embark on building the society on new foundations. (Italics added)

In a similar vein a Soviet theoretical journal editorially urges that "under present conditions, when the national tasks in a number of liberated states have been basically solved following the rout of the colonialists, and when the peoples are seeking a solution to the social problems which are arising in practice, a deep analysis of the problems of internal development of the countries of the East acquires great significance." As if to establish the terms of reference for this "analysis," the editorial goes on to assert that while "progressive forces in the countries of the East are in favor of a cardinal solution to the agrarian question, a complete liberation from the dominance of foreign capital and a democratization of the social order," the "forces of reaction are fighting against this . . . . Within the national bourgeoisie one may observe a certain stratification; the circles of the right are opposing the further development of the national liberation movement, fearing that a strengthening of the liberation struggle threatens their leading position in the state." 25

Perhaps the most extensive treatment to date of the subject, is that contained in the international Communist journal World Marxist Review under the title "Exchange of Views--the National Bourgeoisie and the Liberation Movement." Here were published the contributions of Marxist theorists from 16 countries to a seminar on the national bourgeoisie and the liberation movements in Asia, Africa and Latin America held in May 1959 at the Leipzig Institute of World History. A representative sample of the comments is highly instructive.

Idris Cox (Britain): "In the countries which have already won political independence, the national bourgeoisie tend to hold back the further advance of the liberation movement. And only when the proletariat advances to the leadership of the national movement will the tasks of the national-democratic revolution be fulfilled and the basis laid for the advance to socialism.
"Experience has proved in India, Indonesia and the U. A. R. that the national bourgeoisie are unable to solve the agrarian problem fundamentally. This is not only because it involves a sharp class struggle against the feudal elements, but because the national bourgeoisie fear the growing activity of the workers and peasants, the only class forces which can carry through the change.\cite{26} (Italics added)

G. Levinson (U. S. S. R.): "The question arises: To what extent will the outstanding tasks of the bourgeois democratic revolution be fulfilled, within the framework of the existing regime, in the independent capitalist countries of the East? In other words, how far are the national bourgeoisie prepared to go along the anti-imperialist and anti-feudal path; have they gone as far as they can in this respect?

"The ruling bourgeoisie in the countries of the East will evidently continue, despite their vacillations, to combat the imperialist colonialist policy, to fight for independent economic advance, since this means a struggle to preserve their class domination, a struggle for profit. . . . We cannot, however, ignore the fact that as the class contradictions in their countries sharpen, the national bourgeoisie tend more and more to come to terms with the imperialists and the feudal landowners. This tendency conflicts with the striving of the people for complete and unconditional liberation from all survivals of imperialist and feudal oppression, for a consistent democratization of political life. And the working class is the most active force expressing this revolutionary trend.\cite{27} (Italics added)

Kia-Nouri (Iran): "The national bourgeoisie are not devoted to the cause of the bourgeois democratic revolution. They are concerned mainly with their narrow class interests, striving to keep the revolution within the framework of these interests. That is why when confronted with such tasks as the elimination of imperialist influence, the feudal survivals and feudal political institutions, the solution of the agrarian problem and the winning of democratic liberties, they begin to vacillate, may abandon the revolution, hinder the liberation movement and lead it to defeat. The liberation movement will be victorious provided it is headed by the class which is interested in carrying through the revolution to the end, and which has all that is requisite for it to become the leader of the revolution. Only the working class can be such a force.\cite{28} (Italics added)

Hadi Messouak (Morocco): "The Communist Party would commit an inexcusable error were it to yield to the pressure of the bourgeoisie and become reconciled to the role of appendage instead of remaining an independent force capable of heading the working masses and entire nation, and

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leading them to struggle for national and social liberation. To enable the national bourgeoisie to manoeuvre on policy, even if they play a positive role on the international plane, would be an opportunist mistake, the consequences of which could be fatal for the working class movement. The Communist parties in the colonies and dependent countries should be in the forefront of the fighters for democratic liberties. An alliance with the bourgeoisie presupposes combating their anti-democratic tendencies whenever and wherever they appear.29/ (Italics added)

Thus the ideologists appear unanimous in their agreement that while the national bourgeoisie in its anti-western, anti-imperialist and neutralist foreign policy, is still a positive force in the struggle of the underdeveloped areas for the achievement and maintenance of political independence, the attainment of economic independence and social justice can only be accomplished under the leadership of the Communist Party. Under Secretary of State Douglas Dillon recently summarized this development in the following terms:

To employ Communist jargon, the 'national liberation movements'—the Communist term for the nationalist groups in the less developed countries—will undergo a 'two stage' revolution. Once a strong foothold has been secured through agitation of anti-westernism and hypocritical support of deep-seated nationalist aspirations, and once conditions are judged to be ripe in a given country, the native Communist will inaugurate the second stage by openly challenging the leadership of local nationalist forces on domestic issues. This is a classic example of Leninist strategy: using nationalism to oust Western influences and then eliminating the nationalists.

There is increasing evidence in the public pronouncements of Soviet leaders that Communist strategy is now directed at emphasizing Communist-inspired domestic programs in underdeveloped areas in an effort to enhance the role and prestige of Communist groups in these countries. This strategy also involves attacks on nationalist forces by the local Communists as they attempt to seize power for themselves.30/

Although such theoretical speculations have not as yet effected any reversal of the Soviet policy operative since 1955, of courting friendly state-to-state relations with non-Communist neutral governments,31/ they do suggest that in cases where the choice is between supporting an anti-Communist neutral government and a strong local Communist party the Soviet leadership, under increasing Chinese and domestic pressure "to get on" with the revolution, may be more inclined to support native Communists if the possibility of seizing power and bringing their countries into the
Soviet orbit, seems feasible. That the Kremlin presently appears reluctant to sanction overt moves for power by Communist parties in underdeveloped countries was made patently clear when the Communist Party newspaper of the R. S. F. S. R. condemned the demands of some members of the Iraqi Communist Party in 1958 for admission of Communists into the Government--demands which ultimately led to violence and which had led to a strained Soviet relationship with Kassim. "Left-wingers" in the international communist movement were reminded: "Lenin's teaching on 'compromises' acquires great importance under contemporary conditions, when the communists, particularly those in countries where many tasks of the bourgeois-democratic revolution and the winning of national independence have still to be performed, must be able to conclude alliances, not only with the peasantry, but also with some strata of the national bourgeoisie in the interest of the struggle against the foreign yoke." It hoped that the "mistakes" of the Iraqi Communist Party would "be instructive also for some Communist parties of the East and Latin America."

Soviet Foreign Trade with Underdeveloped Areas

Prewar Period. The interdependence of Soviet political and economic goals in the East was manifest soon after the bolsheviks consolidated their power in Russia. Convinced that the fall of the Middle East and Asia would deprive the West of a much needed market and source of raw materials and that "without the control of the extensive markets and vast fields of exploitation in the colonies, the capitalist powers of Europe cannot maintain their existence even for a short time," the tasks of Soviet trade policy were clear: to increase, wherever possible, the economic dependence of the countries of the East on the Soviet Union and in so doing pre-empt the dominant economic position of the Western capitalists in the area. The ultimate absorption of these countries into "a growing federation of Soviet Republics" would not only result in an accretion to Soviet military and economic power but would, in Communist eyes, serve to deny to the West the most bountiful source of its profits and, by squeezing it into an ever-narrower sphere of economic activity, hasten its collapse.

At the Second Conference of the Representatives of the People's Commissariat of Trade held in 1923 to discuss problems of trade with the East, it was admitted that Soviet "foreign commercial policy in the East must differ radically from that towards the Capitalist West." The conference adopted a number of principles for trading with Eastern countries and since there are evident parallels with current Soviet policy in this sphere, the resolutions of the conference merit quotation in extensio:
(1) Our foreign commercial policy in the East must differ radically from that towards the capitalist West, both on account of the special character of our economic relations in the East and West, and on account of those practical tasks which confront the U. S. S. R. in the East.

(2) The capitalist encirclement of the Soviet Union, endeavouring on the one hand to impede our economic revival and on the other preparing for a renewal of intervention, forces an energetic policy of foreign trade monopoly upon us as an instrument in defence of socialism. The Eastern countries, on account of their economic structure and conditions not only do not represent any such threat to the U. S. S. R., but rather promise a united economic front with us against the general onslaught of capitalist imperialism.

(3) The policy underlying our economic relations with the countries of the East should therefore be governed by considerations of economic power, as a pledge of our determination to participate in the regeneration of the East and to draw the peoples of the East struggling for their independence closer to the U. S. S. R., and as a means of fighting and destroying the colonizing propensities of the capitalist West.

(4) For these ends the Conference considers essential:

(a) To introduce the most favorable conditions possible for the direct commercial exchange of the products of the soil and the agricultural economy of the countries of the East against the products of the industry of the U. S. S. R.

(b) To recognize the necessity in trade with the East of decentralizing the process of granting licenses—particularly for exports—so that the decisions are taken by the appropriate authorities in the Federal Republics.

(c) To facilitate the entry into the U. S. S. R. of Eastern traders and to simplify their transactions of financial and other operations connected with foreign trade.

(d) Not to insist on a favourable balance of trade in transactions with Eastern countries.

(e) To elaborate measures immediately designed to encourage the sale of Eastern products in exchange for the industrial products both of the U. S. S. R. and of other countries.
(f) To cooperate in the establishment of mixed trading commissions in which Eastern merchants would participate on more favourable terms than would be acceptable in the West.

(g) In view of the peculiarities of the credit system in Eastern countries and in the absence of any extensive credit system which is independent of Western capital, to regard as essential the formulation of measures for financing foreign trade with Eastern countries, relying on the one hand on our own financial institutions and on the other on the mobilizing, where possible, of indigenous capital.

(h) To draw the attention of our industry to the desirability of quoting lower prices for our manufactures and commodities destined for Eastern markets.

The Soviet government continued to cultivate trade relations with the Eastern countries and to make exemptions from its trade regulations in so far as those countries were concerned. "Politically, [wrote one Soviet official in 1923] our policy is to support national movements and national groupings; economically it is reflected in our Eastern trade policy, which differs from our Western policy. For example, we have granted the Eastern countries freedom of import and export with certain reservations; in particular, we are prepared to grant Persia a right of transit, that is, a way to reach the world market by way of our territory, a privilege which tsarism stubbornly denied Persia in the past. We grant special privileges in customs to the Eastern merchants who come to our fairs, as well as privileges connected with the exports of capital and goods, etc."

The obvious intent was to have them adopt their national economies to that of the Soviet Union. "Theoretically it appears absurd and practically it is impossible, [wrote a Soviet authority] for the East to organize its national economy and at the same time retain its political independence unless it aligns its national economy with the economy of the Soviet Republics." Soviet foreign trade regulations must, therefore, be so planned as to bring the Eastern countries to adopt the above course:

We must take into consideration the fact that the near future will show whether the developing economy of the backward Eastern countries will pass through the capitalist stage of development, or will proceed toward superior forms, bypassing the capitalist stage. One of the basic tasks of the institutions which supervise our foreign trade with the East will be to assist the Eastern countries to bypass the capitalist stage of development.
From the purely commercial point of view, the distinction between Soviet "Eastern" and "Western" trade policy was a very real one. The Eastern countries, "by virtue of the geographical and transport conditions, by which the U.S.S.R. is the most effective market for the sale of products of the Asiatic countries and the most advantageous for supplying them with imported goods," supplied the U.S.S.R. with the agricultural and livestock products it needed and furnished it with a principal market for its finished industrial goods. 40/

The requirement for export markets in light of the Soviet ambitious import program in the West during the first Five-Year Plan was an imperative one. "We are interested in the economic utilization of the East," wrote Commissar of Foreign Trade Krassin, "in order to obtain needed raw materials and in still greater degree with a view to selling there the products of our industry." Soviet products, he admitted, "move to the Orient along the lines of least resistance, because there it is easier for them to compete with the goods of Western European industry". 41/

In the years following the first Five Year Plan period, the share of the Eastern countries in total Soviet trade remained substantial, as the share of the principal European markets declined in importance. This shift in the distribution of Soviet trade between East and West reflected the general trends and structural changes in the development of the Soviet export trade. The declining importance of the European market was attributable first to the fact that the U.S.S.R. was exporting less agricultural products than Tsarist Russia and second, to a further reduction in the total export of these commodities between 1933 and 1938; the increasing importance of Eastern markets was primarily due to the growing export to these countries of finished industrial articles. 42/

The Postwar Economic Offensive. The most striking aspect of the new Soviet economic diplomacy is the entry of the U.S.S.R. into the foreign lending field, especially in the underdeveloped areas. After years of denouncing foreign aid as an instrument of imperialism, the U.S.S.R. and other members of the Sino-Soviet bloc have, in the period July 1, 1954 to June 30, 1960, concluded agreements with 21 free world underdeveloped countries on four continents, which provide for the extension of an estimated $4.0 billion in intermediate and long-term credits and grants. Of this total, more than $820 million consists of credits for the purchase of Soviet bloc arms extended to Egypt, Syria, Iraq, Yemen, Guinea, Indonesia and Afghanistan.

Most of the major Soviet non-military credits carry a dramatically low interest rate of 2-1/2% and are repayable over a period of 12 years, with the first installment not due until after completion of deliveries for a project. The credit agreements provide for repayment in commodities
and/or convertible currency, with the proportions of each as well as the types, amounts and prices of acceptable, commodities subject to annual negotiations.

Declaring its readiness to extend aid to underdeveloped countries "as a brother helps his brother... our only condition is to aid without conditions at all," the U.S.S.R. has assumed the central role in the bloc's credit program. While no strict organization is evident, it may be presumed that some coordination and supervision are exercised by the U.S.S.R. over the credit extensions of its satellites. Of the $4.0 billion bloc assistance agreements concluded during the period mid-1954 to mid-1960, the U.S.S.R. itself provided about 75%, the European satellites about 20%, and Communist China about 5% of the total.

Between 1955 and mid-1959, the Soviet Union has supplied underdeveloped countries with technical assistance— in the construction of more than 100 industrial enterprises and almost 110 other projects, including 9 metallurgical enterprises, 13 enterprises of the mining and coal industry, 7 enterprises of the chemical industry, 12 thermal and hydroelectric stations, 6 oil refineries, 11 machine building enterprises and others.

In connection with the construction of capital projects, Soviet technicians frequently perform the installations themselves and, at times, remain to furnish operating assistance during the first few years. The technicians are, for the most part, industrial engineers and economists although Soviet construction crews have taken part in some projects, notably in the erection of the steel mill granted to India. While there have been no public reports of subversive political activity on the part of Soviet technicians, it seems hardly likely that Moscow would overlook this possibility. By 1959 the number of well indoctrinated and dedicated Soviet technicians operating in Asia, the Middle East and Africa reached 6,100 compared with 3,700 a year earlier. Of this total 4,700 were engaged in economic work and 1,400 were involved in military aid activities. The Soviet Union furnished 61% of the technicians, the European Satellites 27%, and China, 12%.

Total trade turnover of the U.S.S.R. with less developed countries increased from approximately $350 million in 1955 (the first full year of the trade offensive) to approximately $965 million in 1959. This represents an average annual rate of growth greater than that of Soviet trade with any other major trading area. Soviet trade with underdeveloped countries currently accounts for about 10% of its total trade compared with little more than 5% of the total in 1955.
U.S.S.R. exports to the underdeveloped countries consist primarily of petroleum and petroleum products, rolled steel, lumber, cement, cotton cloth and wheat. Soviet exports of machinery and equipment have increased 30 fold since 1955 and now account for more than 30% of total Soviet exports to the area. However, the absolute amount of machinery and equipment sent to these countries is still quite small—less that $120 million in 1959. Soviet imports from these countries consist, for the most part, of food and raw materials. Cotton from the U.A.R. dominates the raw materials picture but a few other items are almost important, notably rubber from Malaya and Indonesia, wool from Argentina, Uruguay, Afghanistan, Iran and India and hides and skins from Argentina and India.

Patterns and Motivations

One thesis of wide currency which seeks to explain the Soviet economic drive in underdeveloped countries of the free world, suggests that more than thirty years of Soviet emphasis on the capital goods industries at the expense of its agricultural sector, has resulted in a significant shift in its cost structure so that the U.S.S.R. is rapidly developing (if, indeed, it has not already done so) a comparative advantage in the production of capital goods and a comparative disadvantage in the production of agricultural commodities and raw materials. Hence, purely economic criteria (i.e., the desire to maximize real income) suggests a policy of expanding exports of machinery and equipment to lesser developed countries in exchange for needed raw materials, foodstuffs and other consumer goods, quite apart from the wider political aims of the Soviet leadership.

Briefly, the proponents of this thesis maintain (a) that for physical and institutional reasons the U.S.S.R. has, and probably will continue to have in the foreseeable future, difficulty in expanding agricultural output in relation to growing domestic requirements for agricultural products, (b) that the U.S.S.R. currently has a well developed capital goods industry which, in certain sectors, is beginning to show a capacity to produce in excess of current requirements and that the U.S.S.R. is therefore in a position to export a varied line of machinery and equipment items, and (c) that a policy of exporting capital goods to underdeveloped countries in exchange for raw materials, foodstuffs, and consumer goods would result in important net gains to the U.S.S.R.

Data on the commodity composition of Soviet foreign trade are also cited as evidence that the U.S.S.R. is an agricultural country in transition to an industrial one. The relative share of finished goods in Soviet exports has changed from 30% of total exports in 1938 to 63% of the total in 1959. The share of machinery and equipment in Soviet exports
has shown a similar increase from 5% of total exports in 1938 to 21% in 1959. Furthermore, the U.S.S.R. has in recent years become a net importer of foodstuffs.

It is true, of course, that the emphasis on investment in heavy industry in the U.S.S.R. has not been matched by similar developments in the non-industrial sectors, particularly the extractive industries and agriculture. These industries have progressed much more slowly than has industrial production and now face serious resource limitations which makes additional output increasingly costly. Coal mines are going deeper and seams are thinner; iron ore is being mined with lower iron content and with poorer physical and chemical properties which require more extensive processing; and the Soviet leadership, committed to a policy of increasing the food supply, is expanding grain production into the virgin lands of Siberia where limited rainfall and poor soil make them marginal growing areas. The vast distances within the country itself tends to aggravate the cost problem. Moreover, the U.S.S.R. is totally lacking in some resources, notably rubber.

Thus, it is claimed, the U.S.S.R. may be finding that its traditional pattern of foreign trade—that is, exporting raw materials and foodstuffs and importing capital goods is not as advantageous as it once was. It can now export a relatively varied line of capital goods in return for foodstuffs and industrial raw materials, the domestic production of which would require a greater expenditure of resources than is needed for the capital goods which the country exports. Therefore, there are sound economic and commercial reasons why the Soviet Union should trade with the world's primary producers. These countries are able to supply goods not produced at all, or only in insufficient quantities, by the Soviet Union, notably high-grade cotton, rubber, hides, oil seeds, rice, non-ferrous metal ores etc., and provide in turn a market for Soviet exports of machinery and equipment, petroleum, ferrous metals, and lumber.

Such a conclusion, however, is subject to several important limitations:

1. Even if the real cost advantages of a particular kind of international exchange could be demonstrated objectively (while one may presume a shift in comparative advantage from agricultural to industrial production, the paucity of reliable Soviet price and cost data makes it impossible to ascertain just how far this shift has been carried) it would still be necessary for Soviet leaders to approve the necessary trade expansion in light of this and other considerations. If Soviet trade were conducted largely on the basis of the international division of labor or chiefly in the interest of improving domestic productivity, the West rather than the bloc would hold the center of Soviet foreign trade interest. As it is, the West continues
to be regarded by the U.S.S.R. merely as a pool of critical goods needed to supplement domestic sources. Soviet policy on trade thus far continues to ignore, as irrelevant, a comparison of current domestic costs with foreign costs in those industries which are deemed "strategic" to Soviet interests. Grain is still grown at high cost in marginal growing areas; and the possible advantages of increasing imports of foodstuffs is rarely discussed publicly. For as long as Soviet leaders endeavor to maintain maximum self-sufficiency consistent with rapid industrial growth, cost considerations will probably continue to be subordinated to this objective.

2. The structural changes in Soviet commodity trade suggested by the picture of declining costs of capital goods relative to the costs of raw materials and agricultural products, have not yet materialized. Soviet exports are dominated by the same fuel and crude materials which have been the traditional staple exports of Russia for decades. In its trade with the West, as in its trade with the bloc, the U.S.S.R. remains a net importer of machinery and equipment. And in light of Soviet requirements for industrial equipment, both for its own projected economic growth and for the critical equipment needs of the developing economies of the European Satellites and China, the fundamental order of Soviet priorities is not likely to be altered in the near future.

In spite of the ostensible economic "complementarity" of the U.S.S.R. and the underdeveloped regions--the U.S.S.R. with its increasing machinery production and the underdeveloped world with its chronic raw materials and agricultural surpluses--the consistent Soviet import surplus with these countries (in recent years, Soviet imports from underdeveloped areas have increased at a rate twice that of exports, excluding arms, to the area) suggests that the immediate economic advantage derived by these areas from trade with the U.S.S.R. is that of finding an outlet for their agricultural production, rather than obtaining machinery and equipment and other goods for the development of their industries. Although Soviet exports of machinery and equipment to underdeveloped countries have increased from $5 million (approximately 4% of total exports to the area) in 1955 to $120 million (and about 30% of the total) in 1959, such exports are still only about 4% of total Soviet world exports, and of that relatively small figure, 32% have comprised deliveries to India largely for the construction of the Bhilai steel mill. At present the U.S.S.R. apparently represents to underdeveloped areas primarily a market for surplus commodities and only secondarily a source of supply. To what extent the U.S.S.R. will remain willing to import the major share of the surpluses of these largely one-crop economies will more likely reflect the demands of political expediency rather than the outgrowth of normal economic processes.

3. In evaluating the current and potential Soviet demand for imported raw materials from underdeveloped countries as a motivation for the trade

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and credit offensive in the area, the hypothesis must be tested by examin-
ing the relationship between Soviet needs and the resources of countries
receiving Soviet trade and aid overtures. Priority Soviet import require-
ments for the next several years will be largely in terms of equipment and
technology for the chemical, metallurgical and electronics industries--
items for which underdeveloped countries hardly have an export potential.
In the consumer goods sector, almost everything is short by western stand-
ards, but the U.S.S.R. can presumably continue to procure them in limited
quantities from traditional suppliers.

Aside from Yugoslavia, whose copper supplies are potentially
important to the U.S.S.R. but subject to overriding political considerations,
few of the recipients of Soviet aid have a potential for valuable trade in the
future. The Soviet Union's cultivation of Afghanistan can hardly be under-
stood in terms of the low grade wool and cotton fiber which comprise about
70% of its exports to the U.S.S.R. Some imports, of cotton (98% of Egypt's
exports to the U.S.S.R.) can be accommodated by a growing Soviet textile
industry, but such imports have been purchased in the past without
difficulty. Similarly, the tea, hides, and rope from India cannot be said
to be high priority imports for the U.S.S.R. In the case of Indonesia, a
recipient of Soviet aid, rubber supplies are certainly of interest to the
U.S.S.R.; but more than three-fourths of all Soviet rubber imports come
from Malaya, not yet a recipient of Soviet credits.

Thus the underdeveloped countries which have received Soviet aid
do not, as a group, appear to satisfy any essential current or potential
import requirements of the U.S.S.R. Indeed, they are not as logical
suppliers of Soviet needs as are other countries which have not yet been
major targets of the Soviet credit offensive. Political rather than economic
considerations, then, appear to have been dominant in guiding the Soviet
credit program.

4. Finally, there is strong reason to believe that the rapid expan-
sion of Soviet economic relations with underdeveloped countries evident
in recent years, does in fact amount to the implementation by the contem-
porary regime of policies advocated by Communist leaders more than 40
years ago. The importance of underdeveloped countries as fitting targets
for Soviet economic aid was foreshadowed by Lenin as far back as 1916
when he declared: "We must do our utmost to draw closer to and unite with
the Mongols, the Persians, Indians, and Egyptians. It is both our duty and
in our own interests to do so, for otherwise socialism in Europe will be
insecure. We must extend to these peoples who are more backward and
oppressed than ourselves... aid in their transition to the use of machinery,
to the lightening of the burden of labor, to democracy, to socialism." 50/
After the bolsheviks had consolidated their power, one Soviet authority declared: "If we were richer, we would undoubtedly help the Eastern countries develop their own industries; we would build roads and railways for them, and would send them our instructors and specialists." 51/ Karl Radek, in discussing Soviet economic assistance given to Turkey in the early 1930's, anticipated the Soviet aid offensive in underdeveloped countries twenty years later when he declared: "Tomorrow or the day after we shall help other peoples to build their industries--not as conquerors but as friends who know that assistance creates conditions for mutual amicability." More recently, the authoritative Soviet journal International Affairs repeated: "Assistance in the economic advance of the underdeveloped countries is a relatively new feature in the world scene. . . .not, of course, because the peoples of Asia, Africa and Latin America suffered no want and privation. . . . [but because] the only Socialist state which existed at that time did not have a sufficient economic potential to be able to assign any considerable resources for aid to underdeveloped countries." 52/

In trade relations too, the alleged economic "complementarity" of the two regions is not a phenomenon of only recent discovery nor is it attributable to any new and significant structural shift in the Soviet economy. A recognition of the economic basis for expanding Soviet trade with underdeveloped countries was evident when Foreign Trade Minister Krassin, writing in 1928, admitted that "we are interested in the economic utilization of the East in order to obtain needed raw materials and in still greater degree with a view to selling there the products of our industry." 53/

This view was made even more explicit in a study of Soviet trade with the East published in Moscow in 1938: "Raw materials produced by Eastern countries (cotton, wool, hides, etc.) and cattle are exported to the U.S.S.R. which is a wide and guaranteed market for these countries. On the other hand, the Eastern countries are consumers of industrial goods produced in the U.S.S.R., which is steadily broadening the range of its industrial export." 54/

Problems and Prospects

There is, to be sure, limited evidence to indicate that there may be a small economic advantage, or at the very least very little disadvantage, in expanded commercial relations with the underdeveloped countries. As the U.S.S.R. becomes more affluent and turns at last to the problem of satisfying the long suppressed desires of its people for a substantially higher standard of living, its leaders may become increasingly willing to exchange industrial equipment for such staples of underdeveloped countries as cocoa, coffee, fibres and other consumer raw materials.
But to admit this is far from maintaining that current Soviet trade with underdeveloped areas is based primarily on economic considerations, or indeed, that such economic criteria are major determinants of Soviet trade policy. To do so would be to ignore not only the past record but also Moscow’s own conception of foreign trade as an "integral part of foreign policy." Soviet leaders themselves have stated that they value trade least for economic reasons and most for political reasons. Soviet reliance upon foreign economic activity as a device for achieving political aims has always been an outstanding feature of Soviet foreign policy. Except for the formative years of the Soviet state when the Tsarist legacy of technical and economic backwardness and the "hostile capitalist environment" militated against any really effective use of the foreign trade monopoly, the U. S. S. R. has always demonstrated an astute awareness of the efficacy of economic techniques in the political power struggle between the two systems. Persistent Soviet efforts to secure economic and political control of its border Asian neighbors in the prewar period is evidence enough of Soviet policy in this regard. With respect to the current aid program in underdeveloped areas, Khrushchev himself has admitted that "speaking generally from the commercial viewpoint our economic and technical aid to the underdeveloped countries is even unprofitable for us." 

Thus, simply put—perhaps too simply—current Soviet political ambitions in the underdeveloped countries are to help free these newly independent areas from Western influence and subsequently to create in them, either through economic blandishments from the bloc or through the domestic appeal to Communism, an increasing vulnerability to ultimate absorption in the Communist empire. If, in the meantime, this creates economic pressure upon capitalist countries dependent on this area for markets and sources of supply and/or leads to conflicts within the Free world tending to fracture its unity, so much the better.

The extent to which the current economic offensive in underdeveloped areas will continue to expand will be determined largely by (1) the attitudes in underdeveloped countries toward the commitments and risks implied in large-scale economic dealings with the U. S. S. R.; (2) the ability of the recipient states to absorb new credits, i.e., to generate a large and sustained export surplus; and (3) the alternatives offered these countries by the West.

More importantly, perhaps, it will depend on the overall policy decisions of the Kremlin. As long as the foreign policy orientation of underdeveloped countries remain essentially anti-Western and neutralist in sentiment, such leaders can expect support and succor from the U. S. S. R. When the emphasis in underdeveloped countries shifts from foreign affairs to domestic programs for economic and social reform, however, the divergence of interests anticipated by the second congress of the Comintern,
between "... the bourgeois democratic nationalist movement with a programme of political independence under the bourgeois order ... and the mass action of the poor and ignorant peasants and workers for their liberation from all sorts of exploitation ... (which) every day grow farther apart from each other," may force Khrushchev to make a far reaching decision: either to continue to support anti-Communist neutral governments or retreat before the demands of more orthodox elements within the Party hierarchy who, undoubtedly enjoying ready sympathy within the leadership of Communist China, seek to back local Communist agitation for more radical economic and social reform and to support their attempts to seize power when such moves are deemed feasible.

In this connection, Walter Z. Laqueur reasons with reference to the Middle East: "It is ... unlikely that the present alliance between Russian and the Arab 'bourgeoisie' nationalism will last. The Arab movement toward unity will be supported as long as it can be used as a weapon against the West but hardly any longer. ... To them the present phase of Arab nationalism may be 'progressive' but presents obstacles to the complete transformation of Arab Society--the consummation that they may be willing to see delayed, but not indefinitely. A conflict thus seems inevitable in the long run; but when, and under what circumstances it is likely? It is bound to come, at the very latest, if and when the unification of the Arab world within its historic frontiers has been achieved. The center of gravity of Arab affairs would then shift from foreign to domestic politics--when the community of interest with the Soviet Union is rather limited. Years may elapse, however, before such a development."
PSYCHOLOGICAL ASPECTS OF THE BLOC ECONOMIC OFFENSIVE IN LESS-DEVELOPED COUNTRIES*

Doris S. Whitnack

The Shift in Soviet Strategy

In the global power contest between East and West probably the most striking shift in Soviet strategy during the past decade is that which emerged in the less-developed countries of Asia, Africa, and Latin America. The initial calculations which led to militantly aggressive policies in these areas and the fomenting of revolutions in Asia until the later years of the Stalin period have been replaced by a strategy of providing temporary and tactical support to non-Communist, nationalist regimes and assiduously promoting the association of the U.S.S.R. with the aspirations of the less-developed world.

In a carefully orchestrated series of diplomatic, cultural, propaganda, and economic moves, the Kremlin has sought initially to gain international respectability and following this to insinuate its influence in areas considered weak links in the "capitalist-imperialist" system. Tactically, appealing offers to expand trade or provide credits for development or modernizing the armed forces are advanced as opening wedges from which the bloc hopes to establish beachheads of influence within a country or region. Such influence is used to encourage anti-Western neutrality in foreign policy and to aggravate existing "contradictions" and "antagonism" within the non-Communist world, whose industrialized powers are described as already weakened by the erosion of colonial empires. Against a background of growing Soviet power and the desire to avoid moves which would provoke a nuclear war, this softening-up process in the less-developed countries seeks to create conditions in which the victory of communism, viewed as historically assured, can be expedited. Toward this end, the less-developed countries have a twofold significance in the Soviet scheme: (1) a reduction of their economic ties with the major Free World powers is viewed as useful in hastening the crisis of capitalism and victory of socialism in the West; (2) some of the less-developed countries may themselves be ripe for socialist revolution.

*Reprinted from Ralph Sanders and Fred R. Brown, eds., The Economics of National Security: Global Psychological Conflict, ICAF, Wash., 1961, Ch. VIII.
The shift to a policy of correct state-to-state relations would in itself have constituted a remarkable change in Soviet policy. Yet the Kremlin's leaders apparently deemed that something more dramatic was necessary to make credible Moscow's protestations of peaceful intentions and its newly found brotherly concern for the independence, welfare, and national aspirations of its poorer Afro-Asian neighbors. Criticism of Western aid fell on receptive ears, but still created little or no positive influence for the bloc. Attempts to claim credit for such aid as resulting from the postwar gains of world communism and its competition with capitalism were similarly inadequate to achieve Soviet goals.

With the achievement of political independence, new regimes in these countries faced increasing pressure to translate their new freedom into international status and domestic welfare. Both required economic development and the symbol par excellence became rapid industrialization; in virtually no case were the domestic resources equal to the task. In this environment, the U.S.S.R., as the world's second largest industrial power, could hardly create the image and influence it wished to foster while leaving to the Western allies a virtual monopoly of such an important field as foreign economic relations.

Despite considerable internal debates about the need to retain scarce resources within the bloc and the wisdom of bolstering bourgeois regimes even temporarily, a new string was added to the Soviet diplomatic bow in 1954 as an economic aid agreement was signed with Afghanistan and the offer of a steel mill to India caught the imagination of the entire Asian subcontinent. Probably no other single aid project--bloc or Free World--has ever received such widespread publicity. The next year Western efforts to reduce tensions in the Near East were answered by large arms credits to encourage Nasser's strong anti-Westernism. To gain further publicity for the new look in Soviet diplomacy and cater to the desire of the Asians for status, Khrushchev and Bulganin toured Asia with the full resources of the Soviet propaganda machine trained on them. Catering to the desire of leaders for prestige and international recognition, invitations were issued to visit the U.S.S.R. A series of trade and aid offers climaxed the stay of the two Soviet leaders in each country. The exchange of high-level visits with flattering red-carpet treatment in Moscow as a prelude to economic agreements has remained a prominent psychological element in Soviet tactics. By mid-1961, 26 Free World countries had accepted bloc commitments for $5-6
billion in assistance, and a far larger number had expressed readiness to expand trading relations. Bloc probings to expand economic ties are continuing at a rapid tempo and bid fair to remain an important tool of foreign policy despite the recent Sino-Soviet polemics over the correct strategy for dealing with national bourgeois governments in less-developed countries.

Despite the undoubted contribution of assistance and trade toward improving the bloc image and influence in less-developed countries, most of the leaders in these countries recognize the political content of Sino-Soviet economic blandishments and profess some wariness about heavy involvement. What, then, are the elements of receptivity which Moscow has successfully exploited in expanding its economic offensive?

The so-called revolution of rising expectations which has supplanted the formerly widespread fatalism and resignation to a life of disease and poverty has forced all governments to give priority attention to economic development. The complexity of the problems involved and inadequacy of domestic resources create strong pressure for a policy of accepting aid from all sources provided no obvious political conditions are attached. If bloc aid is refused, the nearly inevitable gap between performance and aspirations is used by opposition groups as an effective club with which to beat the government in power as both inefficient in solving domestic problems and as subservient to the West.

The political ambitions of individual leaders can also be an important factor affecting receptivity to bloc initiatives. To be courted by a great power makes good publicity for the head of state and creates an impression of international status for the individual involved. Conclusion of a large aid agreement can be publicized as evidence of a leader's ability to bargain advantageously with a major power. At a slightly lower level, officials may view acceptance of bloc aid favorably in the hope that additional projects carried out under their ministry will build up their personal record and improve their competitive position vis-a-vis domestic political rivals.

The intense nationalism which characterizes the political scene in most less-developed countries often manifests itself in a neutralist foreign policy. In the economic sphere, the establishment of closer trade and aid ties with the bloc is often regarded as essential to
demonstrate this neutrality. The Soviets couch their argument for such policies in terms of the need for countries to assert their independence and to balance relations between East and West. Opponents of expanded economic relations allegedly seek to weaken neutralism and make the less-developed countries pawns in the "cold war."

Receptivity to credits for bloc arms and related technical assistance stems in part from the general desire to obtain the military trappings of a modern power. Most typically, however, the major arms agreements with the bloc have been made under circumstances which encouraged tensions in the Free World, and a Western alternative comparable to the bloc offer in magnitude or types of equipment was hence not available. Once such ties have been established on a significant scale, further arrangements tend to follow from the need for spare parts, ammunition, replacements, etc., and the fact that personnel have been trained to use bloc equipment.

Bloc and local Communist or front group propaganda organs harp endlessly on the theme that Western aid and private investment impinge on sovereignty and seek to maintain dependence; emotionally charged labels such as "neocolonialism" appear repeatedly. By contrast the bloc is pictured as seeking mutually advantageous trade relations and offering aid free of all strings and for whatever types of projects the country wants or needs to achieve economic independence. Programs are dramatized by inclusion of some major projects such as the Aswan Dam, and offers of other key undertakings are often timed and framed to undercut or exploit problems in aid negotiations between a Western country and a less-developed country.

While credits rather than grants are generally offered, a good face is put on this policy by presenting it as a more businesslike arrangement and more dignified than "handouts" for political purposes. To preserve an aura of goodwill, however, the generosity of bloc terms is emphasized, with particular attention given to low interest rates and the possibility of repayment in commodities. Economic justifications, technical problems, and future accounting checks are not raised, and negotiation of the initial aid commitment ordinarily proceeds smoothly and rapidly.

As time passes and more countries accept bloc aid without clearly damaging results, the remaining targets tend to be less inhibited by
fear of ulterior bloc motives or unfavorable Western reactions. With some element of wishful thinking, examples of Soviet economic pressure for political purposes, as in Yugoslavia or Finland, are dismissed as special cases and large credit offers which were made conditional on disengagement from the West have generally received limited publicity. Increasingly, even anticommmunist groups have been beguiled by the half-truth that development promotes stability and welfare, so that regardless of the bloc's motives, its aid weakens the appeal of communism and should be welcomed. Moreover, lack of detailed knowledge or sophisticated understanding of Soviet strategy combined with local pride, encourages false confidence in the ability of inexperienced governments to deal with the more subtle approaches to penetration represented by economic and technical assistance. On the more cynical side, flirting with the bloc is often prompted by a conscious attempt to secure more aid or better terms from the West. And should such involvement prove ill-advised, governments probably feel that they can count on the West to come to the rescue.

Attitudes toward bloc trade overtures tend to be dominated largely by economic considerations on the theory that the magnitudes involved seldom raise the immediate spectre of dependence or significant bloc political leverage. On the domestic scene, governments which see their immediate position menaced by accumulations of surpluses are often not inclined to give much weight to the longer term and less direct political implications of expanding bloc trade. Western caveats are suspect as being politically and economically self-serving in environments where trade issues have commonly become a subject of anti-Western attacks. Business groups, however, tend to feel that trade can and, in principle, should be divorced from international politics. The contacts and economic gains from expanded trade are assumed to promote understanding and goodwill between countries and thus contribute to world peace. Virtue thus reinforces a popular notion of necessity which argues that the bloc's more rapid growth than the industrial West gives it vast potential as a market, while opportunities for expansion of sales in the Free World are developing slowly.

Attitudes and Policies Encouraged by Bloc Aid and Trade

Once their economic overtures have been accepted, the question still remains as to how these are used by the bloc to create or strengthen attitudes and policies useful to itself. There is first the negative aspect
of disparaging Western economic systems, impugning the motives behind Free World aid, and generally exploiting the legacy of resentment from earlier periods in an attempt to exacerbate relations between the industrialized and less-developed countries of the Free World. As a minimum, recipients of aid from the West are told they need feel no gratitude since the donors have "an historic duty to return some of the loot they have stolen." According to Khrushchev, "they are giving crumbs of what they have plundered . . . giving a kopek and trying to obtain a ruble profit out of it." Soviet spokesmen point out that the profit motive does not exist within the Socialist countries and, unlike the U. S., there are no surpluses that have to be unloaded abroad to relieve domestic depressions. Such assertions are a prelude leading to the conclusion that bloc aid represents an "unselfish contribution to the liberation of mankind from want, exploitation . . . colonialism."

In a variety of specific ways bloc programs are alleged both to be free of "neoimperialist" defects and to serve the national interests of the recipient. In the latter case, the Soviets hope to turn some of these interests to their positive advantage by encouraging foreign policies favorable to the interests of the U. S. S. R. and domestic policies that will create a more favorable environment in which bloc and local Communist interests can work to expedite the transition from the existing "nationalist revolution" stage to the "Socialist revolution."

In the current strategy of coexistence, competition in the economic sphere is a cardinal theme. Communist ability to produce an abundance of the sinews of national power has already been demonstrated, but efforts are now also being directed to catching up with or surpassing the West in a variety of nonstrategic goods. This image of rapid growth is utilized by the Soviets to encourage other countries to follow their model. Falsely, yet often effectively, they claim that only 44 years ago they were nearly as backward as today's underdeveloped countries. Their system is thus made to appear more effective than that of the allegedly devitalized West in rapidly converting feudal economies to modern industrial societies. Moreover, the Communist system is presented in terms of a scientific method whose success is historically predetermined. It thus appeals to those seeking fast, guaranteed solutions to complex problems and the presumed security of being associated with the wave of the future (the "bandwagon" theme).
Communists also have an asset in common misconceptions about Western economic and social systems. Virtually ignoring the institutional changes and welfare achievements of more than fifty years, large elements in the less-developed countries tend to think of "capitalism" in terms of the abuses which accompanied the early industrialization of Western Europe. Since Western economic systems are often viewed as lacking an authoritative, integrated, socio-philosophical ethic and even a clearly defined economic blueprint, they thus appear to be intellectually unsatisfying to the educated elites of less-developed countries. Among the latter groups a considerable number favor approaches to economic development which they label "socialism." As in various other areas, semantic confusion serves communist interests since the Soviet bloc describes its own system as "socialism" and, despite basic differences, tries to exploit superficial similarities. By contrast, while the U. S. gives large amounts of aid to support government economic activities abroad, it is philosophically opposed to socialism, and in principle emphasizes the desirability of a private enterprise system.

With the emphasis on speed and industrialization, the Soviets support planning which allocates a large role to the state sector and to the extent possible minimizes private enterprise. Virtually all of their aid goes to public projects in an attempt to encourage government ownership of key sectors of the economy, such as communications and transport, fuel and power, and heavy industry. There is also some evidence that within the public sector the bloc supports projects which enhance the prestige of local officials with views favorable to the bloc and looks with less interest on projects under ministries headed by anticommmunist officials. By making large aid commitments quickly for programs extending over a period of several years, the Soviets can sometimes pre-empt significant projects or advisory positions for bloc aid programs, leaving those of lesser impact for the West. Large multi-year commitments also produce important psychological gains. These are followed up with publicity at each stage of implementation (signing of general aid agreement, survey stage, contracts for individual projects, start of construction, etc.). It is often difficult to determine whether a press release refers to a project under a previous credit or is a new commitment for additional assistance. This has helped to create the impression of far greater aid and more active implementation of programs than is actually the case.
Major emphasis in the bloc effort is given to technical services and training activities, with the extensive contacts they afford. For practical reasons, bloc personnel engaged in such work abroad have seldom done overt proselytizing, but they nevertheless serve a purpose far beyond their immediate technical job, namely, familiarizing people in the less-developed countries with bloc products and methods of work and subtly creating a favorable impression of bloc achievements. To stress the claim that bloc aid activities involve partnership and equality, projects are not run by bloc personnel but by a national of the recipient country, with bloc technical personnel in subordinate positions. Sometimes such personnel remain for a while after completion of the project, but, again in line with the "independence" theme, a point is commonly made of training local people to run the facilities themselves. This is done partly in the recipient country, but large numbers of students, officials, and technical personnel are also brought to the bloc for training in universities, factories, military installations, etc. The potential for impressing these people and affecting their views on a broad range of problems, as well as creating stronger ties is clear, particularly since most of them have no direct basis for comparing political and economic conditions in the bloc with those prevailing in the U. S. or Western Europe.

Since trained personnel in the recipient countries is usually very limited, such people often occupy a position of relatively greater individual prestige and influence than their counterparts in industrialized countries. As such, their potential value to the bloc is considerable. Until recently, professional and technical training came almost entirely from the Free World, but large-scale bloc programs are creating a substantial pool of people who will be accustomed to using bloc products and methods of operation. These technical assistance activities provide opportunities for promotional work which complements but far exceeds the possibilities open to trade missions.

Of special significance, particularly in newly independent states with inexperienced government personnel, is the bloc campaign to install advisers and even operating personnel in key ministries (planning, communications, finance, interior, education) where they can influence policies and administration to the benefit of the bloc. Technical assistance to the armed forces offers possibilities for penetration which are possibly even more dangerous in view of tendencies toward political instability in many less-developed countries.
An important tactic in the economic offensive involves fanning prejudices against foreign private investment, which is linked with colonialism and exploitation. Trade and aid are both used by the bloc to encourage nationalization moves, which tend to create frictions with the companies and their governments, reduce current Western influence, and create a climate unfavorable for new investors who would help perpetuate so-called bourgeois capitalism.

Bloc concentration on industrialization and related activities could be explained by the local appeal of such projects and the relatively greater bloc aid capabilities in these fields as compared with agriculture (excepting, perhaps, large dams involving a complex of development activities). The possibility cannot be ruled out, however, that the Soviet view further urbanization and a growing industrial proletariat as encouraging class struggle and providing fertile ground for developing Communist converts among workers recently removed from the authority and security of traditional family and village ties. This is not to say that rural areas are neglected by the Communists, but only that their campaigns in such areas, while exploiting socio-economic frustrations (i.e., agitation for land reform) have thus far utilized mainly other tactics than economic aid. However, as bloc experience in tropical economics grows, some expansion is likely in assistance for state farms and in technical assistance supporting changes in rural institutions modeled along Soviet lines.

In catering to national pride and aspirations for status symbols by giving aid for whatever projects a country wants, the Soviets can ignore the concept of balanced development which the West considers essential. Since the bloc would have much to gain by distorting soundly conceived programs, it must be assumed that it deliberately does so to the extent that is possible without revealing its hand. Unfortunately, the task is facilitated by the fact that sound programs often must contain unpopular features while projects of low economic priority are sometimes strongly desired by a country and yield highly satisfying psychological returns. This is not to say that most bloc projects are absolutely uneconomic, but rather that they sometimes divert scarce local resources to less than optimum uses.

In discouraging such activities as well as counseling a more moderate pace of development with an overall plan of investment which avoids undue inflation, the West is considered negative or unsympathetic and subjected to Soviet charges of foot-dragging to maintain profitable
markets and cheap sources of raw materials. Fundamentally the West is attempting to promote economic growth and social progress and is, willy-nilly, associated with existing political institutions if not particular regimes. When aspirations remain frustrated, moderate local governments favoring extensive economic ties with the West are discredited. The bloc position is far easier since Moscow can disavow all responsibility, arguing that the bloc has tried to provide economic help within the existing politico-economic framework, and lack of adequate economic growth only proves the validity of its contention that failure is inherent in a non-Communist system.

In the foreign policy field, the bloc economic offensive has, as noted above, a minimum objective of encouraging less-developed countries to assert their independence from the West under the banner of neutralism. Even if such a stance were truly impartial, it would constitute some gain to the bloc as a weakening of Western influence and an opening wedge for the bloc, which has hitherto had very limited contact with many of these countries, particularly those with colonial backgrounds. One of the important appeals of this bloc tactic of extending aid on a significant scale to unaligned countries has sometimes been characterized as "making neutralism pay."

Credits from the bloc--particularly those for military equipment and training--have been employed by the bloc to aggravate conflicts among Free World nations and induce neutrals to adopt policies favorable to the bloc. Large arms assistance to Egypt in 1955 and economic assistance at the time of Suez are a case in point. In other instances economic support has served to underwrite anti-Western policies which the country could ill afford to have risked without Soviet backing. The existence of bloc economic support (though not necessarily all in aid form) has strengthened Castro's hand in carrying out violently anti-U.S. policies. In such cases bloc political support, backed by economic agreements, enables the Soviets to pose as the champion of the less-developed countries, especially against members of Free World alliances on international disputes they consider crucial to their interests. The Soviets commonly take advantage of the aura of good feeling accompanying conclusion of an aid agreement to have inserted in the ensuing joint communiques an endorsement of their position on a variety of unrelated international issues such as the nuclear test ban and disarmament.

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Efforts have been made through large aid offers to bribe states committed to Free World alliances—Turkey, Iran, Thailand—to leave such alliances or at least to void agreements giving military base rights to the West. Such overtures have been unsuccessful, but the blandishments are repeated periodically if only because they create pressure on pro-Western governments and raise demands on the industrialized members of the alliances.

Soviet aid is also used, sometimes fairly subtly or indirectly, to promote regional groups which are strongly anti-Western. Thus in situations where extensive direct bloc initiatives would be suspect or resented, the prestige of leftist leaders of groups hostile to Western interests may be enhanced through Soviet attention and major aid commitments in an attempt to strengthen their bid against more moderate rivals within the group. Some aid project offers have also been designed to orient the economy of the potential recipient toward a neighboring state with a pro-Soviet bias and hopefully to encourage its association with a grouping the bloc anticipates can be utilized to its advantage regionally and to back its positions in international forums.

The Prospects for Diminishing Psychological Returns

It is clear that in Khrushchev's eyes the economic offensive has yielded substantial returns to the bloc. It would be equally clear from the facts, even if Khrushchev had not expressly so stated, that aid programs are not profitable in an economic sense; thus the additional gains anticipated are in the politico-psychological area. To the extent that the bloc can sell the ideas noted above, it can consider its investment profitable. There are, however, a few problems which the Communists have only started to face and which suggest that the law of diminishing returns may well set in with regard to impact and influence to be gained from aid.

Bloc aid programs are still relatively new in most countries. Before long they will tend to be taken for granted, and the maintenance of an impact effect will tend to require ever larger outlays. This could well incur or strengthen resistance within the bloc from groups which already oppose foreign aid.

That little friction has developed with countries which have accepted aid is partly due to the fact that implementation of projects beyond the planning or survey stage is quite limited. As construction
proceeds on a wider scale, the opportunities for disagreements, mistakes, misunderstandings, etc., will multiply. Excuses on the grounds that the bloc is new in the field will no longer carry weight. Some degree of disillusionment will inevitably result from initial overselling. In Iraq, for example, bloc aid was confidently expected to assure the success of a major development program which has hardly moved off of dead center nearly 3 years later, and the Russians could become a convenient scapegoat for the widespread popular disappointment. Elsewhere the speed with which initial Soviet aid agreements are concluded and the early arrival thereafter of survey personnel have created an exaggerated impression of Soviet efficiency which must already be waning in those areas where headlined agreements have still produced small tangible results.

Bloc rocket and space achievements have built up a generalized prestige for Soviet science and industry which Soviet aid programs have not entirely sustained in a number of particular instances. For example, a prestige export like airplanes has been widely recognized as inferior to Western models in design and operating efficiency. With respect to the petroleum industry, both drilling and refining, Western-trained personnel in less-developed countries have expressed considerable disdain for bloc equipment and technology. Over virtually the entire range of industrial machinery and equipment Soviet models are accepted as functionally adequate and even welcome because of the price and payment terms involved, but there is widespread recognition that the designs involved are commonly only a slight variation of a U. S. or Western European model of a decade or more ago. Growing familiarity with such items raises doubts about the vaunted superiority of the Soviet industrial system and the claims that its achievements have been due entirely to its own efforts.

Repayment experiences on credits (very limited to date) may well dash some of the satisfaction over having secured a "bargain" from the Soviets. Most countries confidently expect to meet their obligations in local commodities, hopefully those frequently in surplus. However, the Soviets are not committed to accept such goods, many of which have low priority in Soviet plans, and in any case the price is open to debate. If such leverage is used, the limited meaning of "stringless" aid will be exposed.

One of the most important problems arising for the Kremlin will be increasingly difficult choices between sides in disputes of Free World countries with one another (e.g., Afghanistan and Pakistan) or
sometimes with a member of the bloc (India and Communist China). Goodwill built up through an extensive and expensive aid program can be lost overnight by a political position favoring an adversary in a dispute or even a rival for regional leadership (Nasser and Qassim). While it is sometimes possible to straddle the fence in these cases, this tends to create resentment and suspicion from both sides. As a minimum, such equivocation weakens the association of the bloc with national aspirations, an attitude which has been assiduously cultivated in campaigns combining unqualified endorsement of key political objectives with aid and trade agreements. It is also almost inevitable that the bloc will increasingly face a problem well known to the U. S., namely, resentment among aid recipients when one country feels that it is not getting as generous treatment as another less deserving country. Such jealousy can arise with respect to amount of aid, types of projects, prices, or annual repayment negotiations.

One of the greatest problems, however, arises from the basic conflict of long-term interests between existing non-Communist regimes and local Communist parties. Current tactics which involve subordinating the latter's interests usually promote at least the immediate foreign policy goals of the Soviet state and may even improve the local standing of the parties. This improvement can sometimes be utilized to inject Communists into some key positions in the government and to move the party closer to its assigned goal of gaining control of the national liberation movements. For such success, however, Moscow would have to pay the price of alerting the rest of the world to the Soviet interpretation of its pledge of noninterference in internal affairs which typically accompanies or is an integral part of economic and other agreements.

To date the renunciation of revolutionary action by local parties has not, as a practical matter, been very costly since very few of them have been in a position to make a serious bid for power. However, strong measures against a domestic party, such as Nasser's jailing of local members and the resulting acrimonious exchange between Cairo and the Kremlin, have undoubtedly been embarrassing to Khrushchev.

In the recent Sino-Soviet dispute, aid to bourgeois regimes was an important point of controversy. While differences were at least outwardly compromised, Khrushchev will henceforth be under greater pressure to show more positive political dividends from Soviet aid programs than mere anti-Westernism on the part of the recipients.
Moreover, Moscow may feel less free to restrain opposition activities of local parties lest they shift their support to the Chinese side of the submerged but by no means settled dispute on Communist ideology and strategy in less-developed Free World countries. To the extent that they respond to these pressures, the Soviets are very likely to find their economic overtures viewed with greater skepticism and their aid operations subjected to closer surveillance. In such a climate Soviet development of goodwill and influence would be substantially more difficult than heretofore, particularly if the major Western powers themselves present an image of dynamic growth and an expanding Free World trade system within which the less-developed countries are able increasingly to show progress toward their own economic goals.
THE APPEAL OF COMMUNISM TO THE UNDERDEVELOPED PEOPLES*

by Morris Watnick

If time is a power dimension in any political strategy, the odds facing the West in the underdeveloped areas of the world today are heavily weighted against it. The effort to capture the imagination and loyalties of the populations of these areas did not begin with the West in President Truman's plea for a "bold new program" of technical aid to backward areas. It began more than a generation earlier when the Communist International at its second world congress in 1920 flung out the challenge of revolution to the peoples of colonial and dependent countries and proceeded to chart a course of action calculated to hasten the end of Western overlordship. We thus start with an initial time handicap, and it is a moot question whether we can overcome the disadvantage by acquiring the radically new appreciation of the human stakes involved necessary to meet the challenge of the Communist appeal to the peoples of these areas.

Fortunately, there is no need to trace out the tortuous course of the careers of the various Communist parties in the backward areas of the world in order to gain some appreciation of the extent and intensity of their indigenous appeal. For purposes of this discussion we can confine ourselves to China, India, and the area of Southeast Asia.

* Editor's note: This article, reprinted from The Progress of Underdeveloped Areas, edited by Bert F. Hoselitz (Chicago, University of Chicago Press, 1952), was written at a time when the problem of Communist-inspired insurrection in the underdeveloped areas of the world was less explicitly recognized in this country than at present. Certain developments since its publication, such as the revolutionary agrarian programs launched in Communist China and North Viet Nam, appear to run counter to some of the author's conclusions concerning the role of the peasantry in traditional societies taken over by Communist regimes. Given the opportunism of Communist doctrine and policy, however, these conclusions may well stand up in the long run. In any case, the article is an illuminating analysis of the manner in which communism attempts to exploit the twin resentments against colonialism and capitalism, and to win over native intelligentsias, in the traditional societies of Southeast Asia now in the throes of modernization.
Asia, where they have had their greatest success to date. Despite the blunders and ineptitudes which marked their initial grand play in China in 1924-27, ending in almost complete disaster for their most promising single party organization in these areas, they have emerged today as a political magnitude of the first order, boasting a seasoned leadership, a core of trained cadres, and a mass following recruited mainly from the peasant masses of the region. It is the purpose of the remarks which follow to indicate the nature of the Communist appeal to the peoples of these areas and to suggest some of the sociological factors which have made that appeal so effective.

It was once the wont of certain Continental writers, preoccupied with the problem of imperialism, to refer to the peoples who form the subject of our deliberations as the "history-less" peoples. Better than the Europacentric term, "underdeveloped peoples," it delineates in bold relief all the distinctive features which went to make up the scheme of their social existence: their parochial isolation, the fixity of their social structure, their tradition-bound resistance to change, their static subsistence economies, and the essential repetitiveness and uneventfulness of their self-contained cycle of collective activities. With a prescience which has not always received its due, these theorists of imperialism also called the right tune in predicting that the isolated careers of these archaic societies would rapidly draw to a close under the impact of economic and social forces set in motion by industrial capitalism and that these history-less peoples would before long be thrust onto the arena of world politics, impelled by a nascent nationalism born of contact with the West and nurtured by a swelling resentment against the exactions of its imperialism. ¹

The final result of this process is unfolding today with a disconcerting force and speed in almost all the backward regions of the world. We can see its culmination most clearly among the classic exemplars of history-less peoples in China, India, and the regions of Southeast Asia where the political and economic predominance of western Europe is being successfully challenged by forces unmistakably traceable to the forced absorption of these societies into the stream of world history. Their internal cohesiveness, largely centered on self-sufficient village economies, has been disrupted by enforced contact with the West, giving way to a network of commercialized money transactions in which the strategic incidence of economic activity has shifted from subsistence
agriculture to plantation production of raw materials and foodstuffs for the world market. Their economies thus took on a distorted character which rendered the material well-being of the native populations peculiarly subject to the cyclical fluctuations of the world market. All this, coupled with rapid population increases which the existing state of primitive technique, available area of cultivation, and customary allocation of soil could not adjust to the requirements of maximum output, has conspired to create widespread rural indebtedness, abuses of plantation and tenant labor, and other excrescences traditionally associated with the prevalence of a raw commercial and financial capitalism superimposed on a predominantly agricultural economy.²

Given the fact that the new economic dispensation in these regions was fashioned under the aegis if not active encouragement of the Western imperialisms, it should occasion no surprise that these regions, particularly Southeast Asia, have seen the efflorescence of a distinctive type of nationalism, especially after the debacle of Western rule during the second World War, differing in many crucial respects from the historical evolution of nationalism as experienced by western Europe. Indeed, the employment of a term like "nationalism" with all its peculiarly Western connotations to describe what is going on in Southeast Asia today is in a sense deceptive precisely because it diverts our attention from some of the distinctive attributes of native sentiment which set it apart from the nineteenth-century manifestations of nationalism in Europe. It is, moreover, a particularly inappropriate characterization because it inhibits a full appreciation of the potency of the Communist appeal among the populations of these regions. Historically, nationalism in western Europe has flourished with the burgeoning of an industrial technology, the urbanization of the population, the growth of a self-conscious middle class and an industrial proletariat, the spread of literacy, and the multiplication of media of mass communication. Now it is one of the distinctive features of the movements of revolt in Southeast Asia today that they lack any of these marks of Western nationalism. The indigenous "nationalism" of Southeast Asia today, lacking any of these props, nevertheless derives its peculiar potency from a universal reaction of personalized resentment against the economic exploitation of foreign powers. Whether all the economic and social dislocations of this region are directly attributable in refined analytic terms to Western rule is quite beside the point. The simple and crucial datum which we must take as the point of orientation in all our thinking is that to the mind of the masses of indigenous peoples
they do stem from this common source. The Indo-Chinese peasant victimized by usurers, the plantation worker in Malaya periodically deprived of his income by a drop in world price of rubber, the Indonesian intellectual debarred from a higher post in the government service, the Burmese stevedore underpaid by the maistry system of contract labor—all tend to attribute the source of their grievances to the systems of government and economy imposed on them from without. The distinctive and novel aspect of the native movements of Southeast Asia, then, is that they represent a mass collective gesture of rejection of a system of imposed economic and social controls which is compelled by historic circumstances to take the form of a nationalist movement of liberation from foreign rule. 3

It is this distinctive coalescence of two sources of resentment which offers the Communist parties the opportunities they lack elsewhere to any comparable degree. The two-dimensional direction of native resentment lends itself ideally to Communist appeal and manipulation for the simple reason that Communists can successfully portray Soviet Russia both as a symbol of resistance to political imperialism imposed from without as well as a model of self-directed and rapid industrialization undertaken from within. 4 This twin appeal gains added strength from the multinational composition of the U.S.S.R., which enables indigenous Communists of Southeast Asia to confront their audience with the glaring disparity between the possibilities of ethnic equality and the actualities of Western arrogance and discrimination. Communist propaganda has accordingly exploited this theme in almost all important policy pronouncements directed to the people of Asia. 5

With the victory of the Chinese Communists, the incidence of these appeals has perceptibly shifted the symbolism of successful resistance and internal reconstruction from Russia to China, which is now being held up as a model for emulation by the other areas of Southeast Asia. 6 The shift is not without its tactical and propaganda value, since the adjacent region of Southeast Asia is now regarded as the "main battle-front of the world democratic camp against the forces of reaction and imperialism." 7 Success in this case carries its own rewards beyond the frontiers of China itself, for it is altogether probable that Mao Tse-tung will take his place alongside Lenin and Stalin as a front of revolutionary sagacity for these movements in India and Southeast Asia. 8
Unfortunately, recent discussions of the Communist movement in Asia have done more to obscure than to clarify the nature and direction of its appeal to the indigenous populations. All too frequently, the tendency has been to fall back on the blanket formula that Communists have sought to identify themselves with local nationalism and demands for agrarian reform. We have already seen that their identification with nascent nationalism, if such it must be called, derives its peculiar strength from certain of its unique qualities. It is no less important to an appreciation of the problem to recognize that the Communist appeal does not by mere virtue of this process of identification acquire the same uniform access to all sectors of the population. Indeed, the most striking and disconcerting feature of much of the propaganda appeal emanating both from Moscow, Peking, and other centers is that it is not, and in the nature of the case cannot be, designed for peasant or worker consumption. The appeal of communism as such in these areas is first and foremost an appeal which finds lodgment with indigenous professional and intellectual groups. Its identification with native nationalism and demands for land reform turns out to be, when carefully scrutinized, not so much a direct appeal to specific peasant grievances, powerful though its actual results may be, as it is an identification with the more generalized, highly conscious, and sharply oriented outlook of the native intelligentsia.

Given the entire range of sociological and economic forces at work in these areas, the very logic and terms of the Communist appeal must of necessity filter through to the peasant masses by first becoming the stock in trade of the intellectual and professional groups. To revert to the terminology suggested at the outset of this paper, we may say that, by and large, it is the old history-less style of social existence which still claims the loyalty and outlook of the bulk of the indigenous populations. It is still the old village community which serves as the center of peasant and worker aspirations, and, if they have taken to arms, it is because European rule has destroyed the old securities and values without replacing them by new ones. Without leadership and organization, their unrest would be without direction and certainly without much chance for success, quickly dissipating itself in spontaneous outbursts against individual land-owners and achieving no lasting goals. Whatever else it may be that we are facing in Southeast Asia today, it certainly does not resemble the classic uprisings of peasant Facquerie but a highly
organized and well-integrated movement, with a leadership that has transcended the immediate urgencies of its mass following that can plan ahead in terms of long-range perspectives.

That leadership is supplied by the new indigenous intelligentsia. It is from this group that native Communist and non-Communist movements alike recruit their top leadership as well as the intermediate layers of cadres, for, of all the groups which make up the populations of these areas, it is the intelligentsia alone (taking the term in its broadest sense) that boasts an ideological horizon which transcends the history-less values of the bulk of the population and makes it the logical recruiting ground for the leadership of political movements. For this, it can thank the formal schooling and intellectual stimulus provided by the West, which not only brought such a group into existence but also--and this is crucial--condemned large sections of that intelligentsia to a form of déclassé existence from the very beginnings of its career. The new intelligentsia was in large measure consigned by the imperial system to hover uneasily between a native social base which could not find accommodation for its skills and ambitions and the superimposed imperial structure which reserved the best places for aliens. There were, of course, considerable variations and differences in the various areas of Southeast Asia--India, for example, did succeed in absorbing a good many of its professionally trained native sons--but, by and large, the picture is one of a rootless intellectual proletariat possessing no real economic base in an independent native middle class. The tendency in all these areas, moreover, has been to train technicians, lawyers, and other groups of professional workers in numbers far out of proportion to the absorptive capacity of the social structures of the home areas, even if more of the higher posts in industry and administration were thrown open to native talent. In any case, those who did find such employment were frozen in minor posts, the most coveted positions going to Europeans.11

But if these groups could not be integrated into the social structure of these dependent areas, the same does not hold true of their acclimatization to the cross-currents of political doctrine. Western education exposed many of them to the various schools of social thought contending for influence in Europe, and from these they distilled the lessons which seemed to offer the best hope for their native communities. Western capitalism was necessarily excluded from their range of choices if for no other reason than that its linkage with imperialist rule over their
own societies debarred it from their hierarchy of values. The
anticapitalist animus is common to the intellectual spokesmen of
these areas, whatever their specific political allegiance or orienta-
tion may be.¹² Nor does it appear that any populist variety of
Gandhism, with its strong attachment to the values of a static sub-
sistence, economy, has won any considerable following among these
intellectual groups. Soetan Sjahrir voiced a common sentiment when
he wrote:

We intellectuals here are much closer to Europe or
America than we are to the Borobooder or Mahabrata or
to the primitive Islamic culture of Java or Sumatra. . . .
For me, the West signifies forceful, dynamic and active
life. I admire, and am convinced that only by a utiliza-
tion of this dynamism of the West can the East be released
from its slavery and subjugation.¹³

The sole possibility, then, which appeared acceptable to them was one
or another of the forms of state-sponsored reconstruction and indus-
trialization, for which liberation from the rule of European states was
naturally considered to be a prerequisite. Liberation and internal re-
construction thus came to be two inseparable operations, intimately
tied together as they seldom have been before.

We can now appreciate the enormous initial advantage which was
thus offered the Communist movements in these backward areas. The
Russian Revolution of 1917 and the subsequent course of planned in-
dustrialization could not but fail to impress native intellectuals as
offering a model pattern of action by which they could retrieve their
communities from precapitalist isolation and backwardness without
paying the price of continued foreign exploitation. There is doubtless
a large measure of self-revelation in Mao's reaction to the Russian
experience in his statement:

There is much in common or similar between the sit-
uation in China and prerevolutionary Russia. Feudal op-
pression was the same. Economic and cultural backwardness
was common to both countries. Both were backward. China
more so than Russia. The progressives waged a bitter
struggle in search of revolutionary truth so as to attain na-
tional rehabilitation; this was common to both countries. . . .

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The October Revolution helped the progressive elements of the world, and of China as well, to apply the proletarian world outlook in determining the fate of the country. . . . The conclusion was reached that we must advance along the path taken by the Russians. 14

It should also be noted, in passing, that the Comintern lost no time in launching a large number of international front organizations such as the Red International of Trade Unions, International League against Imperialism, International of Seamen andDockers, International Red Aid, etc.—all of which furnished the necessary organizational scaffolding and support for facilitating the dissemination of propaganda. Finally, as will be noted presently, the Comintern provided a rallying point for their aspirations by outlining a program of revolutionary action in the colonies and dependent areas which was ideally calculated to provide them with a mass peasant following.

The result, though viewed with some misgivings by the leadership of the Comintern, was merely what might have been expected under the circumstances. The Communist parties of these underdeveloped areas of Asia were from their very beginnings initiated, led by, and predominantly recruited from (prior to their conversion into mass organizations as has been the case in China after 1949) native intellectual groups. Though this vital sociological clue to the nature of the Communist appeal in the colonial areas has not received the recognition it deserves, amid the general preoccupation with the theme of Communist appeals to the peasantry, its implication was perfectly plain to the leaders of the Comintern. One of the most revealing (and to date largely unnoticed) admissions on this score is contained in the Sixth Comintern Congress in 1928 in its resolution on strategic policy in the colonies and semicolonies in which the point is very clearly made that

experience has shown that, in the majority of colonial and semi-colonial countries, an important if not a predominant part of the Party ranks in the first stage of the movement is recruited from the petty bourgeoisie, and in particular, from the revolutionary inclined intelligentsia, very frequently students. It not uncommonly happens that these elements enter the Party because they see in it the most decisive enemy of imperialism, at the same time not sufficiently understanding that the Communist Party is not
only the Party of struggle against imperialist exploitation... but struggle against all kinds of exploitation and expropriation. Many of these adherents of the Party, in the course of the revolutionary struggle will reach a proletarian class point of view; another part will find it more difficult to free themselves to the end, from the moods, wavering and half-hearted ideology of the petty bourgeoisie. 15

The fact that this did not accord with the idée fixe of this and all other Comintern pronouncements that leadership of colonial revolutionary movements is properly a function of the industrial urban workers should in no way blind us to the fact which Comintern leadership was realistic enough to acknowledge, namely, that membership of these Communist parties is heavily weighted in favor of the intelligentsia. One may, in fact, go one step further and say that, in accepting the predominance of the "colonial" intelligentsia, the Comintern was closer to the genus of Leninist doctrine than were any of its endorsements of the leadership role of the urban proletariat. No other group in these areas but the intelligentsia could be expected to undertake the transformation of the social structure under forced draft and in a predetermined direction and thus fulfill the main self-assigned historical mission of Leninism. 16

If we bear this key factor in mind, it throws a new light on the nature of the grip which Communists exercise on the political movements of these areas. The usual formulation of the character of these movements is that they stem from mass discontent with the prevailing system of land distribution, with the labor practices in force, with the overt or indirect political control of these areas by foreign governments, etc. These are perfectly valid empirical descriptions of the necessary conditions for the rise of liberation movements in these areas. But they obviously fail to take notice of the specific social groups that give these movements their élan, direction, and whatever measure of success they have had thus far. As matters stand today, the intellectuals are the sole group in these areas which can infuse these raw social materials of agrarian discontent, etc., with the organization and leadership necessary for their success. And it is largely this group which has acted as the marriage broker between the international Communist movement and the manifestations of indigenous revolt.
Enough empirical material exists to warrant the conclusion that the "colonial" Communist parties of Asia today, as in the 1920's, are the handiwork of native intellectuals. Since 1940, they have, of course, greatly expanded their mass following and membership, but their leadership is still drawn overwhelmingly from the intelligentsia. As regards China, this elite character of Communist party leadership was expressly recognized by Mao Tse-tung in 1939, and the entire history of the party from its founding by Li Ta-chao and Ch'en Tu-hsu to Mao Tse-tung and Liu Shao-chi is virtually an unbroken record of a party controlled by intellectuals. India illustrates the same trend. Its earliest Communist leadership is exemplified in M. N. Roy (who later broke with the movement), a high-caste Brahmin of considerable intellectual attainments. Also indicative of the predominance of intellectuals in the leadership of the Indian Communist party is the fact that, at its first All-Indian Congress in 1943, of a total attendance of 139 delegates were members of professional and intellectual groups. And in the postwar period the leading position of this social group in the affairs of the Indian Communist party finds expression in men like Joshi, Ranadive, and Dange. The same pattern also holds good for the Communist parties of Indochina, Thailand, Burma, Malaya, and Indonesia, all of which show a heavy preponderance of journalists, lawyers, and teachers among the top leadership. The Burmese Communists afford an especially pointed illustration in this respect, since the parent-organization, the Thakens, originated in the early 1930's among university students who today comprise the leadership of both rival Communist factions. If any doubt exists as to the extent to which the leadership of these movements is dominated by intellectual groups, it is quickly dispelled by an examination of the top echelons of trade-unions, as instanced, for example, by the names of those attending the WFTU-sponsored Congress of Asian and Australasian Unions in Peking in 1949. Here, at least, we can appreciate the full impact of the trend by noting that, while European trade-union leadership (in contrast to the leadership of parties) has been largely recruited from within membership ranks, the reverse is true in Southeast Asia. The trade-union movement in that region is largely a newborn postwar phenomenon, and the various bodies (whether Communist-dominated or controlled by other political groups) have been fashioned and directed by professionals with no direct experience in the occupations concerned.

This, in its larger perspectives, is the structure of leadership for both the Communist and the non-Communist groups in the entire region. More detailed research might serve to throw some light on the sociological
factors which determine the distribution of these professional groups among Communist and anti-Communist movements. But, even if a completely detailed analysis is still lacking, enough is already known of the larger trends to indicate that these sections of the native populations constitute the key operational factor in the Communist appeal. It is they who spearhead the propaganda drive, organize the unions, youth groups, and other organizations, plan the tactics of their parties, etc.

As matters stand, then, the organization and leadership of Communist parties in colonial areas do not accord with their accepted doctrinal precepts. For over a generation now it has been a standard item of doctrine, reiterated again and again, that the leadership of these parties must rest with the industrial working class. The realities of the situation in these areas have not been very obliging to this formula, though it still occupies its customary niche in all their pronouncements. From the standpoint of their own strategic imperatives and long-term objective, however, the Communist parties of these areas have not hesitated to draw the necessary practical conclusions. They have acquiesced in the primacy of the intellectuals in the movement because the acceptance of any alternative leadership coming from the ranks of the peasantry or the industrial workers (assuming the possibility of such leadership) would entail the sacrifice of the prime objectives of the party—viz., the seizure of power and the launching of a long-range plan for internal planning and reconstruction. Gradual and piecemeal reforms and certainly basic reforms designed to bring immediate economic relief to the masses (for instance, in the credit structure of an area) undertaken by non-Communist regimes would be welcomed by the mass of the peasantry because they are in accord with their immediate and most pressing interests. A program of seizing political power followed by prolonged industrialization, economic planning, recasting of the social structure, realignment of a country's international position in favor of the U.S.S.R.—these are considerations of the type which can attract intellectuals only.

Accordingly, if the main appeal of communism per se, in underdeveloped areas, has been to the native intelligentsia, a transgression has apparently been committed against an expendable item of party dogma, but the fundamental spirit of the Leninist position with regard to the relation between leadership and the masses has actually been preserved in its pristine form. There is no need to labor this point,
since there is enough evidence to indicate that the leadership of Communist parties in underdeveloped areas is acutely aware of the conflict between its own long-range objectives and the "interests" of its mass following, as well as of the conclusions to be drawn for the practical guidance of their parties' activities. Thus a recent party document issued by the Malaya Communist party to cope with internal criticism of its leadership and policies contains this cogent passage:

Regarding these masses, our responsibility is not to lower the Party's policy and to accede to the selfish demands of small sections of the backward elements, but to bring out a proper plan to unite and direct them courageously to carry out the various forms of struggle against the British. If this course is not followed we will retard the progress of the national revolutionary war, and will lose the support of the masses. The proper masses route is not only to mix up with them [mingle with them (?)]--M. W./ but to resolutely and systematically lead them to march forward to execute the Party's policy and programme. By overlooking the latter point, we will not be able to discharge the historical duty of a revolutionary Party. 27

If we discern the central driving force of communism in the underdeveloped areas to be its appeal to a considerable number of the indigenous intelligentsia, we are also in a position to reassess the meaning and changes of its mass appeal, most notably its program of land redistribution. To no inconsiderable extent, much of the confusion which attends thinking and discourse on the subject in this country can be traced to a widespread impression still current that the Communist movement in underdeveloped areas owes its success to the fact that it is finely attuned to the most urgent and insistent "land hunger" of millions of the poorest peasants living on a submarginal level of existence. There is just enough historical truth in this impression to make it a plausible explanation of Communist strength. It is unquestionably true that the mass base of the Communist parties in Southeast Asia can be accounted for by the almost universal prevalence of local agrarian unrest which thus constitutes the necessary precondition for the activities of the Communists. But if--as is not infrequently done--this is offered as the crucially strategic element in the complex of circumstances which have served the cause of the Communist parties, we are once again confronted with the old confusion of necessary with
sufficient causes. 28 For there is no intrinsic reason which compels the ground swell of agrarian discontent to favor the fortunes of the Communist parties—unless that discontent can be channeled and directed in predetermined fashion by the intervention of a native social group capable of giving organized shape to its various amorphous and diffused manifestations. If the foregoing analysis has any merit, the balance of the sociological picture in these areas will have to be redressed in our thinking to give greater weight to the Communist-oriented intelligentsia and to its role as the prime mover of the native Communist movements.

A more balanced picture of the sociological roots of the Communist movement in the underdeveloped areas would also serve to throw some light on the shift which has recently taken place in their agrarian reform program and therefore, too, in the direction of their appeal.

In its original form the agrarian program of the Comintern was an outright bid for the support of the poorest and therefore the numerically preponderant sections of the peasantry. At the Second Congress of the Comintern in 1920, Lenin placed the question of agrarian reform at the very center of the Communist appeal and dismissed as utopian any notion that a Communist movement in these areas was even conceivable without an appeal to the masses of peasantry. 29 The resolution adopted by that congress repudiated any attempt to solve the agrarian problem along Communist lines and instead accepted the inevitable fact that, in its initial stages, the agrarian revolution in these areas would have to be achieved by a "petty bourgeois" program of land distribution, directed "against the landlords, against large landownership, against all survivals of feudalism." 30 Eight years later the Sixth Congress of the Comintern was more specific. Its resolution on the strategy of the Communist movement in colonial areas called attention to the presence of a "hierarchy of many stages, consisting of landlords and sublandlords, parasitic intermediate links between the laboring cultivator and the big landowner or the state" who were destroying the basis of the peasant's livelihood. More particularly, "the peasantry . . . no longer represents a homogeneous mass. In the villages of China and India . . . it is already possible to find exploiting elements derived from the peasantry who exploit the peasants and village laborers through usury, trade, employment of hired labor, the sale or letting out of land." While the Comintern was willing to collaborate with the entire peasantry during the first period of the liberation movement, the upper strata of the peasantry was expected
to turn counterrevolutionary as the movement gained momentum. When the chips were down, therefore, the program would have to shift to "a revolutionary settlement of the agrarian question."31

The "revolutionary settlement of the agrarian question" was never accomplished, save in the case of Korea. Wherever the Communists have achieved power in these areas, the program of agrarian revolution, stipulated in the resolution of the Sixth Comintern Congress, soon became a dead letter.32 Except for North Korea, where its application was dictated by the previous expropriation of native lands in favor of the Japanese, its place was taken by a series of moderate reforms designed to mollify the poorer sections of the peasantry without alienating the "parasitic intermediate links" or impairing the productive capacity of agriculture. During the period when the Chinese Communists held sway in the border regions, for example, steps were taken to alleviate the lot of the poorer peasantry in such matters as rentals and interest rates; but wholesale confiscation and redistribution were not attempted to any great extent. Similarly, under the present regime in China, the revolutionary formula has been virtually dismissed as a propaganda appeal, once useful for enlisting the support of the poorer peasantry in the period before the Communist accession to power, but having no relevance to the problems of agriculture today. In fact, the propaganda appeal is now designed to reconcile the middle and wealthier sections of the Chinese peasantry to the new regime in political terms and to promote increased output and land improvements as prerequisites to a program of industrialization.33 Without the active intervention of a Communist-oriented intelligentsia, a large-scale peasant movement in China as well as in the region of Southeast Asia, if successful, would not go beyond agrarian reform pure and simple. The end goal would be Sun Yat-sen's and Stambulisky's rather than Lenin's, given the essentially static and conservative temper of the bulk of the peasant populations. As matters stand now, however, the schedule of agrarian reform under Communist sponsorship has definitely been subordinated to the long-range perspectives of industrialization with a program of collectivization in store for the future when conditions are more favorable to its success.34 Accordingly, the imperatives of the "New Democracy" require a shift in the main incidence of Communist appeal to secure for the regime a base of support more in accord with its long-range plans.

The shift is equally apparent in the industrial field, where attempts are being made to enlist the support of the "national bourgeoisie" during an indefinite transition period pending the introduction of "genuine" socialism. The present program envisions a form of
limited state-sponsored and state-regulated capitalist enterprise to promote the process of industrializations, and the attractions now being employed to enlist entrepreneurial co-operation are strangely reminiscent of the "infant-industry" argument so familiar in "imperialist" countries.

An identical transposition of appeal may also be detected in the program of Ho Chi-minh's newly organized Laodong (Worker's) party in Viet-Nam. Its program proclaims it the leader of a national united front comprising all classes, parties, and races, and its leading motif is the need to oust the French oppressors who are charged not only with exploiting Viet-Namese workers but also native landlords and capitalists who must pay a tribute to the French in the form of high prices for imports and the sale of their own products at depressed prices. The socialist regime is indefinitely postponed until such time as the country is ready for it, and in the meantime the national bourgeoisie must be encouraged, assisted and guided in their undertakings, so as to contribute to the development of the national economy. The right of the patriotic landlords to collect rent in accordance with the law must be guaranteed.

Our agrarian policy mainly aims at present in carrying out the reduction of land rent and interest ... regulation of the leasehold system, provisional allocation of land formerly owned by imperialists to poorer peasants, redistribution of communal lands, rational use of land belonging to absentee landlords.

To say, then, that the Communist program in the underdeveloped areas of Asia is designed purely and simply as an appeal to the poorest and landless sections of the peasant population is to indulge in an oversimplification of the facts. The Communist appeal is rather a complicated function of the total interplay of political forces in these areas and has therefore tended to shift both in direction and in content with the degree of influence and political power exercised by the Communist parties. The only constant element among all these changes has been the abiding appeal of the Communist system to certain sections of the intelligentsia. Whether the new dispensation of the appeal can be expected to evoke the same degree of sympathetic response from the
"national bourgeoisie" and the more prosperous peasantry as the discarded slogan of outright land confiscation had for the impoverished peasants is open to considerable doubt. The avowed transitional character of the program of the "People's Democracy" is alone sufficient to rob these appeals of any sustained response. It does not require any high degree of political sophistication on the part of the "national bourgeoisie," for example, to realize that a full measure of co-operation with a Communist-controlled regime would only serve to hasten its own extinction. How seriously such a withdrawal of support would affect the fortunes of a Communist regime would depend to a crucial extent on the speed with which it could find a substitute support in newly evolved social groups with a vested stake in its continued existence. Some indication of how the problem is visualized by the leaders of the Communist regime in China may be gleaned from the following remarks made by Liu Shao-chi in a speech to Chinese businessmen last year:

As Communists we consider that you are exploiting your workers; but we realize that, at the present stage of China's economic development, such exploitation is unavoidable and even socially useful. What we want is for you to go ahead and develop production as fast as possible and we will do what we can to help you. You may be afraid of what will happen to you and your families when we develop from New Democracy to Socialism. But you need not really be afraid. If you do a really good job in developing your business, and train your children to be first-class technical experts, you will be the obvious people to put in charge of the nationalized enterprise and you may find that you earn more as managers of a socialized enterprise than as owners. 40

For the time being the challenge which confronts the West in its efforts to deny the underdeveloped areas of Southeast Asia to the Communist appeal is therefore compounded of two distinct elements. The more obvious of these is, of course, the problem of depriving the Communists of their actual and potential "mass base" by an adequate program of technical aid and economic reform designed to remove the blight of poverty and exploitation from the scheme of things heretofore in force in these areas. The other and more imponderable aspect of this twofold challenge requires the development of an ethos and system of values which can compete successfully with the attraction exercised by communism for those sections of the
native intelligentsia which have been the source and mainstay of its leadership. To date, there is little evidence that the West is prepared to meet either of these challenges on terms commensurate with their gravity.