tragic aspects of this event, and here again he constitutes no exception among the scholars. The fact that the year 1968 "unfroze" old internal quarrels and injected a new life in ancient enmities, is usually overlooked.

In spite of these shortcomings, this admirably written study is a welcome addition to the growing number of works dealing with Czechoslovak life.


Dr. Wilczynski's book will find many readers, if only because it is so highly readable. But it is also informative, scholarly and comprehensive. In fact, it happens to be a Ph. D. thesis turned into a book and launched into the world with an enthusiastic Foreword by one of its examiners, Professor Harry G. Johnson.

In the first part of the book (Parts I and II, occupying about a third of the volume) we find an excellent summary of the size, structure, trends, organizational forms and institutional framework and even "ideological and theoretical background" of East-West trade. Considered purely in terms of volume this trade is perhaps not overly important: in 1967 it amounted to less than 3% of world trade or about 4% of the foreign trade of Western capitalist nations. (One can picture it as representing just about one-half the volume of the foreign trade of Canada.) But the interest it represents is far greater than these modest figures would indicate, and this for several reasons. First, it is expected to grow and has, in fact, been growing at about twice the rate of intra-Western or intra-Eastern trade. Then, more important, it represents a very significant facet of the wider complex of East-West relationships which continue to develop and change over the years. Even taken just by themselves, the problems surrounding trade between the major economic systems in the world today can be an absorbing study.

The approach to trade is, of course, radically different in the two systems. In the West, foreign trade is essentially an extension of an activity which is also being widely practiced internally by individuals or corporations. The state intervenes in this activity, by and large, indirectly, through tariffs, exchange rates etc., and only exceptionally by applying direct controls over imports or exports. In the East, State monopoly of foreign trade has been a feature of the socialist system from its inception and, indeed, it is difficult to see what other device could have taken its place. Foreign trade is part of the economic plan and is subordinate to its main objectives of industrialization and growth. In the circumstances, and given the prevailing shortages, it is normal that the main stimulation to trade should appear on the import side (in the form of pressure for Western manufactures and equipment, etc.), while exports are looked upon essentially as a means of paying for imports. The differences in approach, in the function of trade and, above all, in the institutional setting, make for a certain inherent asymmetry in the conditions of trading which, quite apart from politics, is a lasting source of suspicion in the West. The usual criteria of reciprocity (tariff structure, formal absence of discrimination) may be relatively meaningless where the government has so many other levers at its command, and where the internal market is effectively isolated from the world market by a price system all its own, by a rate of exchange which is essentially arbitrary and by a host of other factors. The author devotes a whole chapter to this elusive subject of equality of trading opportunity.
Part III of the book (constituting its remaining two-thirds) is taken up by a discussion of particular "major issues" in East-West trade. One such issue treated at substantial length is the practice of dumping. With complete impartiality the author shows that, assuming the most common definition of dumping, some Western countries practice it rather extensively by selling wheat to socialist bloc countries at well below their domestic price. But accusations of dumping are more commonly raised against the East. A number of cases of dumping by socialist countries have certainly occurred but, in the author's view, they have been blown up out of all proportion to their extent or importance, and have been committed in the first place not out of any intent to harm Western industries (there would have been many more opportunities for doing so) but under the pressure of need for foreign currency combined with ignorance of local market conditions. Under the category of "dumping" comes also the fairly general practice of socialist countries of charging lower prices on exports to the West than to countries within the bloc — a reflection of the relative weakness of socialist exporters in the competitive markets of the West. Low export prices, of course, do not necessarily mean a "loss" to the socialist economy, for they may be compensated by a quid pro quo of lower import prices, or by the particular advantages of earning a given currency or by some other consideration, often long-range or going beyond the usual microeconomic calculations applied to such transactions in the West. The discussion points up the ambiguity surrounding any direct comparison of costs and prices between countries with different economic systems.

Much of the trade between socialist and capitalist countries is conducted on a bilateral basis, partly by choice and partly by necessity. The author discusses the changes making for increasing "multilateralization" and concludes, rightly, that the prospects of fully multilateral trade are as far off as can be. Multilateral trade means convertibility of currencies, and such a step would cut too deeply into the existing structure, not just of foreign trade but of the planning system as a whole, to be considered a serious possibility. Convertibility also presupposes sufficient reserves. The author places Soviet reserves of gold and foreign exchange at about 2,500 million dollars (which is rather less than similar estimates by others), and combined reserves of the bloc at 3,800 million. By comparison, Western reserves of gold, foreign currency and holdings with IMF amounted to about 60,000 million dollars. Gold production is not likely to weigh significantly in the balance, and the famous recurrent scares in the West of a Soviet gold offensive aimed at undermining the capitalist monetary system seem to be without foundation for more reasons than one.

The chapters on political interference with East-West trade were probably unavoidable in a study of this sort, but apart from a good summary of the application and effects of the strategic embargo, they add little of substance. The primacy of political stakes in the relations between the two systems is so obvious that the treatment of politics as a side issue and as a modifying influence on trade, gives it a touch of academic artificiality. (This is perhaps to remind us that we have before us, after all, a Ph. D. dissertation.) There are interesting and informative pages here too, but also some which are less so. Thus on aid to underdeveloped countries we read that the bloc supplies mostly equipment and technical advice while the West lays emphasis on "humanitarian aid" such as food and health, and that "for show purposes the Soviet approach is more effective," and that many of the developing countries have skillfully played off the East and West one against the other — and so on. In the matter