

Question No. 4: To what extent do loans to Eastern European countries benefit the Soviet Union?

Answer: In the light of all the above my answer cannot surprise anybody. Eastern Europe is Soviet-dominated. Thus anything helping it may help ultimately the USSR. The only exception can be humanitarian aid and independently distributed, like for example by the Catholic Church in Poland. But such a humanitarian aid is not to the liking of the Bloc, or more specifically the Soviets.

Apart from such times and countries where US loans could help Eastern Europe become freer, something rather only faintly possible, one must be prepared otherwise for the situation where any loans and transfers of know-how, frequently financed by them, finally benefit the USSR.

One must remember that almost half of the capital goods and know-how imported by the USSR originates in Eastern Europe. In chemical products the proportion is even higher and in all other industrial products the situation is fairly similar to that one in capital goods.

It is then quite normal that anything boosting Eastern Europe's production, agricultural including, as the USSR shows ever greater interest in imports of food from Eastern Europe, must benefit the USSR. Especially, that Eastern Europe's economies are so much dependent on the Soviet economy that they have hardly any other alternative than to comply with Soviet demands. And the Soviets demand ever more products and ever better ones. Moreover, they also demand from Eastern Europe to participate in the so-called joint investments in the USSR in various projects. It may thus happen that loans to Eastern Europe enable it to credit the USSR in turn.