

solidarity in response to Soviet military pressures and threats. Accordingly, Soviet strategy is now reoriented toward the attainment of its goal of undermining the Atlantic Community through economic rather than military means. This is the danger with which we will have to coexist during the coming decades. The ingenuity and steadfastness of our statemanship will be severely tested in the years ahead; we must develop a response to Soviet economic aggression equal in its effectiveness at least to our response to the recurrent threats of military aggression.

VIII. SOME CONCLUSIONS ON THE SCOPE OF REQUIRED NEW LEGISLATION

My exposure to the whole complex of facts involved in the area of foreign economic policy, as well as the interviews conducted in the course of my visit to the U.S.S.R., have convinced me that if U.S. policy in East-West trade is to be made more flexible with respect to our allies, and more effective as to the Communist countries, it will be up to the Congress to provide the needed modification and simplification of the legislative structure that governs this sphere of U.S. foreign relations. All that I can hope to undertake in the present report is to sketch out the direction along which, as the problem shapes up at present, it would be necessary to provide the needed new legislative authority to the executive branch of the Government. Such new legislation would have to try to carry out the following objectives:

1. Amend present legislation pertaining to the extension of credits, or other forms of indirect aid, to an individual Communist-ruled country whenever such action may be considered beneficial to the national interest.
2. Enable the President to make more flexible use of his authority to barter, or sell for local currency, surplus agricultural products to any nation, not excluding an individual Communist-ruled nation, whenever he deems such a transaction to be in the national interest.
3. Provide the needed authorization to the President to undertake specific initiatives, under special practical circumstances, as required in the national interest, to impose or lift an embargo on trade with Communist countries either in respect of individual commodities or across the board.
4. Modify existing restrictions on private commercial credits in export transactions involving the Communist countries in order to give the President room for initiative with respect to individual Communist-ruled countries as well as an added bargaining counter in any likely negotiation with the U.S.S.R.
5. Bring up to date the definition of "dumping," especially in cases involving the Communist countries, in order to afford the needed protection to domestic producers as well as to friendly third country suppliers to our market. The latter provision may serve to establish a precedent for parallel legislation in other countries, in order to protect U.S. exports.
6. Make provision either (a) for announcement by the Attorney General of a procedure by which businessmen and business concerns, cooperating with the Federal Government in an integrated trade policy with respect to Communist-dominated countries, may under appropriate regulation enter into approved arrangements with busi-