

with our Western business counterparts. However, through time, we found that a certain evolution had taken place among the Eastern executives with whom we were dealing. They have come nearer to our point of view; they might rightly say that we have gone nearer to their point of view. In sum, we came to understand each other better.

We find that prospects for business in the U.S.S.R. and Eastern Europe are increasing and expanding continuously. There are, of course, severe limitations, besides mentality and methods. One main limitation is a very classical one; namely, that trade being by necessity a two-way avenue, we must, perforce, conceive of exports and, simultaneously, of imports. And there are not very many products manufactured in those countries which are readily acceptable to our markets. Furthermore, in order to accelerate economic development and actively participate in it, we are confronted with the expectation that we should extend ever longer credits. In this context, a rather unruly competition is taking place among Western suppliers. A sobering international action to bring this factor under reasonable control would be very helpful.

The United States has kept somewhat aloof so far, and in this connection I should like to express the view that a more active U.S. participation in trade with Eastern Europe not only would have positive political implications and would give momentum to the development process of that area, but also might help in establishing more acceptable rules. Personally, I regard the Soviet Union and Eastern Europe not as a hunting reserve for Western Europe, but rather as a promising ground in which international trade may expand profitably for the world at large. I feel sure that Europe would welcome a healthy competition there with the United States.

Of course, one must keep in mind that in Socialist countries a centralized procurement system prevails; therefore competition should take a very special connotation and be obviously different from the kind of competition that businessmen meet in market economies.

I am not a politician, and as a businessman I might have a slanted view. Nonetheless, permit me to say that through my contacts and transactions with East Europeans I have acquired a firm conviction; namely, that trading with them is an effective way to promote better political understanding. I would go as far as to say that the great political issues still dividing West and East would, per se, provide recurrent incentives to perpetuate the cold wave, whereas sound trade relations have proved to be a thawing factor. The knowledge of reciprocal requirements and supplies, the comparison of each other's technological achievements, the prospect of a lively exchange, undoubtedly are solid prerequisites for the establishment of a psychological and political situation such as prevailed at Glassboro, and, hopefully, for its aftermath.

In this connection, Mr. Chairman, I have read with great interest your statement that this subcommittee's study is the long view of the U.S. foreign trade policy. But then we, the United States *and* Europe, should make up our mind as to what are our objectives during the next 10 to 12 years vis-a-vis the U.S.S.R. and Eastern Europe. If our objective is to bid for more time and defer any action likely to strengthen