

Mr. RUMSFELD. I would like to have some clarification on the question of East-West trade from each of you, also.

Doctor, in your statement you mention the firm belief that we would be helping a positive political development with respect to East-West trade. On page 10 you said it would have positive political implications. On page 11 you said it would be an effective way to promote better political understanding, and added that, whereas sound trade relations may prove to be a thawing factor. This is, of course, a point of view. And as you know, this country engages in modest East-West trade. And as each of you has suggested, it is well to say we should have East-West trade, but the cold facts are that there has to be an economic advantage to trade and a need, and a pressure within the economic communities of the various countries to trade. Can you expand on any of these three statements?

And Mr. Younger, you also referred to this. Can you think of any instances where you can point out positive political developments, or could you possibly enlighten the committee by giving some examples where it hasn't really accomplished very much? One example might be Cuba, where the United States did over a long period of time have close economic ties. And our current situation with respect to Cuba certainly couldn't be described as that trade having resulted from positive political development or a thaw. I think that this question needs to be more precisely discussed, if you could provide me with some insight.

Mr. PECCER. If I may, Mr Rumsfeld, first of all, I would like to tell you one, I believe that I have. And I think it is substantiated by facts. And that is, the economies of Eastern Europe and the Soviet Union are very weak economies. When they are exposed to contacts with Western Europe, and more especially when they will be exposed to contacts with the United States, they see that many of their procedures and many of their ways and methods of organization are not a match for those that we have in the West. And there are more and more technocrats, or leaders in their countries who wish to adopt our methods of organization in manufacturing of motor cars, or data processing and handling, and many others. I might cite the situation in Yugoslavia and Rumania, where we see people of high standing from the Ministers downward who are prepared to do practically everything that they can and to influence the organizations of their States to come very much our way, because it is the only possible way for them to manufacture at cost and in quality acceptable to their markets, and to export new goods as their markets are widening.

I think that this has an impact. Let's take the motor car, the boom on which is going on in practically every Eastern European country. The motor car will change ways of life of those countries. Roads, service stations, repair shops, and the possibility of moving within their national boundaries and outside—this is a new outlook that they have. If they had had no motor cars, they would have been much more inward looking, restrained.

Mr. RUMSFELD. My time is up, I am afraid. Let me just see if you would say that this is correct. From your response is it safe to say that your suggestions concerning the desirability of East-West trade are restricted to instances wherein the United States could be trading with a country that did not have a strong economy because the ad-