For some companies, perhaps, only a well-financed sales company is necessary, and for others, some local manufacturing and some exports are essential. I don't think there is any magic answer to it. And I think business can come up with a better answer on its own peculiar problems than anybody could by a formula.

Chairman BOGGS. Mr. McAshan, would you be good enough to comment on the question of East-West trade which has been discussed here by a number of witnesses?

Mr. MCASHAN. Really, I can do no more than to endorse the report which was brought back by Mr. Blackey last year when he was a member of that committee which visited in Central Europe and Eastern Europe and Russia.

Senator SYMINGTON. Who is Mr. Blackey?

Mr. MCASHAN. Mr. Blackey is the chairman of the Caterpillar Tractor, I believe it is, Senator Symington, but he acted as reporter for that group.

Senator SYMINGTON. Thank you.

Mr. MCASHAN. They came back very strongly in favor of opening up a trade particularly with the Eastern European countries, Czechoslovakia, Poland, Hungary and those countries, not only for trade itself, but so that those countries could learn more about us and could see the way we lived and could learn what a difference there was between communism and democracy. And at the same time he felt that that would offer a good market, added market for our manufactured articles that we are now exporting today.

Chairman BOGGS. Would any other members of the panel care to comment on it?

Mr. BALGOOYEN. I would like to comment, if I may.

I agree pretty much with Mr. McAshan's statement with regard to the East-West trade. He made the first point that what the East is interested in, many of the Communist States, is in buying U.S. technology. I think we all know that as a matter of principle Communists do not believe in world trade as such, they believe in self-sufficiency. The only reason that they are interested in world trade is that they might be able to get something that they couldn't produce themselves, particularly in the way of technology and new processes. And that is what their chief interest is. And I think it is particularly unjustifiable to extend credit terms to Communist countries, because that comes a little bit too close to providing aid to the countries that are doing everything that they can to bring down our private enterprise system, and to cause us difficulties in Vietnam, Latin America, Africa, the Near East, and every place else.

I know that it is a cliche, but it is a very popular one, to say that trade brings peace. I don't think that there is anything in the history of the world that proves that trade necessarily brings peace. I think you could demonstrate just as easily that trade is frequently a cause of conflict and war.

I certainly don't think that we should extend unconditional most favored treatment to state-controlled economies. I don't think that there is any way in which we can be at all sure that we can protect any investment that we may make in state-controlled economies or in Communist countries. And there I agree with Mr. Danielian. And I