

capacity to export products that we need. In most of the West European countries, as a matter of fact, there is a specific quota arrangement on imports from Eastern European countries, so that the quantities are limited. And this is supported by other studies we have made. I am not really afraid of their ability to compete in our market and to subvert our market, certainly at present. The amount of trade that we might anticipate in the foreseeable future will probably, even granting the trade concessions that they want, be in the range of possibly \$200 million a year, in each direction, which is not very much. In the long run the dimensions may be different. So, I think the most-favored-nation principle is not the important thing. The question that we must confront essentially is, what kind of technology are we willing to give to them, and are we willing to extend credit to them to buy this. This is where really the important decision is going to be, not in the area of trade policy, whether it is going to be conditional or unconditional treatment in our markets.

Chairman Boggs. Thank you very much.

Senator Symington?

Senator SYMINGTON. Thank you, Mr. Chairman.

Mr. Balgooyen, I was astonished at your observations about trade. The Germans were over here several years ago and said that ever since the end of World War II they have been doing their best to trade as much as they can behind the Iron Curtain. As a result, they sell more behind the Iron Curtain and buy more from behind the curtain, than any other country.

We asked how their credit was. They said excellent. We asked how about Yugoslavia? They said Yugoslavia they no longer considered a Communist country economically.

Then before the Secretary of the Treasury, at that time Mr. Dillon, and the Secretary of Commerce, at that time Mr. Hodges, I asked if there was any other country in the world that was not doing its best to sell everything it could behind the Iron Curtain except the United States.

They both said no, that we were the only developed country in the world which wasn't trying to promote its trade behind the curtain.

I asked if the reason that De Gaulle recognized Red China, following the British example, was because that country was not developing its trade as were the British and others.

They both said that was one of the reasons. This is all on the record.

As I understand it, what you want to do in Central and South America is for us to become nationalistic politically. On the other hand, it seems to me that while we as a nation are getting more internationalistic politically, defending everybody all over the world, we are becoming more nationalistic economically, while other countries are doing exactly the opposite. They in turn are becoming more nationalistic politically, furthering their trade in an effort to become more internationalistic economically.

With that premise, I would ask this question. How long do you think we can operate a war in Vietnam that is costing \$70 million a day and keep several hundred thousand troops in Germany? This morning the British announced a broad reduction in their troops in the Middle East. We have a good many more Americans in South