

Korea than the South Koreans have troops in Vietnam. How long can we continue to finance and defend the so-called free world if we don't try to increase our trade and thereby increase our volume and thereby obtain costs which in turn will increase profits? What is the objection to following all these other countries we think so important that we are giving our lungs you might say, to defend?

Mr. BALGOOYEN. Maybe I wasn't too clear in expressing my views. I will try to restate them first.

As to the Vietnam war, I make no pretense of being a military expert. I don't know how long it is going to continue or how much it is going to cost. So, I am in no position to comment on that.

Senator SYMINGTON. I mentioned this because, in our way of life our taxes can only come from one source, income including profits. It is very clear what country is paying nearly all the gigantic cost of the Vietnamese war.

Mr. BALGOOYEN. Except to say that I don't think that any trade concessions we may make to Russia, or any changes we may make in our policies toward trading with Russia are going to change their attitude toward the Vietnam war. I just don't believe that anything we might do in expanding trade with Russia is going to influence them so far as their overall plan to subvert the private enterprise system and to cause difficulties for the United States throughout the world are concerned.

I would not dispute the statement that has been made that the Western European countries are increasing their trade with the Soviet Union and with the Communist countries in general, and yet their credit experience has been good. That wasn't the point that I was making. The point that I was making, really, is that the Soviet Union, for example, has a great deal to gain by trading with the United States and it isn't necessarily true that both sides benefit equally in a foreign trade transaction. They need our technology very badly and the products of this technology. But as I look over the list of things that the Russians are able to export to us, I don't see anything that we need very much unless you consider gold something that we need, and perhaps we do. I don't know what the future of gold is. But I think that it is an unequal trade at best. And I agree with Mr. Danielian, that there isn't a great deal of volume to it anyway you look at it.

And I want to make it clear, too, that when I supported Mr. Danielian's statement I realized that I was going further than he did, and I don't want to be unfair to him, because I am sure he wouldn't take the rigid position on East-West trade that I am taking.

Senator SYMINGTON. Following your reasoning in specifics, every country in the world has heavily increased its resources in the last 15 years, except the United States, the free world countries; some as high as over 500 percent. The only country that has lost has been the United States—nearly 50 percent. Another country—Canada—would have lost if it hadn't made sales which ran into billions—wheat for gold to Russia and China. Do you think it wrong for the United States to sell wheat or cotton for gold to China or Russia if it has heavy stocks on hand? Do you think the debits overbalance the assets in any such transaction?