

only that when this committee comes to look at this problem it do so hardheadedly so that we do not continue to deny trading opportunities to American business when the goods are going to be provided anyway by other Western countries if we do not provide them ourselves. In other words, all I am suggesting is that we look at this problem critically and unemotionally and try to free it from the moralistic mush in which it is so often submerged.

Thank you very much.

Chairman BOGGS. Thank you, Mr. Secretary. Mr. Bolling?

Representative BOLLING. Mr. Secretary, it is a pleasure to hear you again.

I wonder if you would expand a little bit on the last point you made. I think the rest of your statement is very explicit and clear. I have some questions, but I think I will leave them until later. But on that last point which you made very briefly about East-West trade, it is clear to me what you meant, but I wish you would make it more explicit.

Mr. BALL. Mr. Bolling, the problem we encounter again and again in our trading relations with the Iron Curtain, or for that matter, even with Red China, is that our producers are denied the opportunity of making perfectly good sales of their products in the belief that we are hurting the Iron countries by denying them something, when the fact is that they can get these same products elsewhere, and do get them elsewhere. All we are doing is an act of self-flagellation that doesn't advance the American interest.

Part of this, I think, results from a cultural lag on our part. It results from the assumption that the United States has a practical monopoly of technology in the world, that therefore anything that the Iron Curtain countries can buy from the United States is going to be better than what they can buy elsewhere, and that, to the extent that we deny them the opportunity to buy machines or equipment from the United States, they are going to have to get a poorer product somewhere else, and thus they are going to suffer by it. I think in a very large number of cases this is nonsense. In the first place, an enormous number of American companies have licensed their patents and know-how overseas. Europe itself has spurred ahead technologically, as has Japan, and as has Canada. There is very little that we have that other nations don't have where our denial would have any practical effect on whether the Iron Curtain countries would get the product, or not.

We no doubt do indulge a feeling of moral satisfaction from not selling to the Iron Curtain countries. But I think it is rather stupid, because by and large, except for a certain list of strategic goods, with which we are in agreement with the other NATO powers—the so-called Cocom list—most of the things the Soviet Union wants it can buy elsewhere, and there is no particular reason why we should be hard on our own producers.

Now, I would say the same thing with regard to Red China, but with a qualification. The case I was thinking of, specifically, was American wheat. I think it is a terrible shame that we didn't offer our wheat on the market some years ago when Red China was buying from Australia and Canada. The American wheat farmer would have enjoyed a prosperity he has never known in history. The Chinaman got his wheat. He could have bought it just as well from us, and the American