

This growing trade gap, rather than the strategic controls disparity, is the key policy consideration today.

8. Admittedly, this nonstrategic trade is limited by factors other than trade policy. Foreign exchange shortages, lack of established channels of trade, inadequate or inappropriate distribution methods, packaging, servicing, high duties, and other circumstances inhibit the Communist trading capabilities with the United States. Lack of marketing contacts, credit arrangements, uncertainty as to business arrangements, fear for adverse public relations and other obstacles occur on the side of U.S. business. But generally, the public U.S. posture has been predominantly in opposition to expanded trade for fear of giving unequal benefits through such trade to the communist areas.

9. Positive actions to change these circumstances and attitudes have been generally lacking on both sides—the United States and Eastern Europe—and steps have only recently been initiated by either side with any credibility that the actions might literally “mean business.”

As noted earlier, however, most of these actions to encourage U.S. nonstrategic trade with Communist areas have been undertaken on the U.S. side by Presidential initiative—and largely in the absence of any congressional mandate. Almost all existing legislation in the field of East-West trade or pertaining thereto is based upon the cold war ethic: the Battle Act, the Export Control Act, the Foreign Assistance Act—and a motley crew of riders to annual appropriation bills and food-for-peace program.

10. The latest action of the administration—the proposed East-West Trade Relations Act of 1966—is an effort to obtain congressional sanction for a different policy approach to East-West trade, and to change the heretofore predominant sentiment in this area from one of moral outrage to at least one of acquiescence.

11. Given the long, controversial, and single-valued history of U.S. East-West trade policy in the past, and current resentment of Eastern Europe's trade with Cuba and North Vietnam, this will be a difficult task. Here again, however, the test of any ancillary policy is the requirement that it further the overall objectives and strategies being pursued in the national interest; East-West trade relations are an integral part of our foreign policy. And the manner in which East-West trade relations are managed in the decades ahead clearly must be more affirmative and daring than in the past if a positive contribution is to be sought.

II. THE ISSUES OF THE FUTURE

The initial debate regarding the specific aspects of the administration's proposed East-West Trade Relations Act of 1966 is already a matter of congressional record. Its main provisions are clear in concept and intent:

To use peaceful trade as a means of advancing the long-range interests of the United States.

To authorize commercial agreements with a Communist country when the President determines—

It will be in national interest.

It will result in equivalent benefit to the United States.