

and concessions on otherwise unrelated matters in order to strike bargains. And it is in this role—as a springboard of discussion and a medium of exchange—that expanded trade and personal and commercial contacts may contribute to a more hopeful East-West dialog.

If this is so, expanded trade may indeed “fan the winds of change,” but we would be foolish to expect or demand that it also fan the winds of insurrection, subversion or disaffection. Our national interest to be served by a modification of our trade policies as addressed to the European Communist nations will be to reinforce and promote processes of change which will make them less a threat to peace and their regimes less enemies of individual freedom.

Changes are indeed taking place in these areas—major political, social and economic change—even as they are in free world societies. And trade can be a major and positive force in both spheres and between both spheres to increase the possibility of developing cooperative efforts and peaceful pursuits. But it is not a panacea—just as it is not a dread one-sided threat to our security.

THE BROADER INTERESTS

Much of the preceding discussion has been somewhat artificially limited to consideration of U.S. trade with the Eastern European countries and the U.S.S.R. It is clear that an expansion of peaceful trade between these two areas will not take place in a vacuum—without regard to the policies and actions of other nations and certainly not without regard to their political, economic and competitive interests.

In fact, it is in this international and multilateral area—perhaps more than the bilateral—that more rapid progress may be made. As East-West trade becomes larger and progresses even further from the primitive bilateral stage—there will be need to develop better systems of reciprocal dealings and clearings and adjustments. The state trading nature of the Communist countries—which renders some of the traditional bargaining and safeguarding elements of reciprocity in free world trade inappropriate, unenforceable, or unreliable—will have to be changed to accommodate the legitimate needs of western commercial practice. An entire range of new undertakings will have to be worked out: arbitration procedures, protection of patents and other property rights, settlement of financial claims, agreed principles and objective criteria to govern and judge potential market disruption and dumping. In the final analysis, the Communist nations will have to seek ways to remove commercial obstacles arising from differences in their economic systems just as Western countries have adjusted to one another.

With proper authority and flexibility granted the President, the United States will be able to become a major factor in bringing this about—not alone, but in concert again with its other trading partners. As the United States and the Common Market countries and the UNCTAD countries have found it necessary and advantageous to be members of international financial and trade organizations and adherents to international agreements such as GATT—so, in fact will the Eastern Europe countries, if they seek meaningful increases in peaceful trade. Some sort of multilateral machinery—whether in the form of altered or broadened existing organizations—or newly created