Bank credit to manufacturing corporations, by size of company—Percent changes in total outstandings

	September 1964 to September 1965	September 1965 to September 1966	June 1966 to September 1966
Short term:			
All companies	25.7	40.5	7.7
Smallest size class (assets under $1,000,000)	5.4	18.8	11.9
Due in more than 1 year:			
All companies	35.5	30.9	.3
Smallest size class	3.1	25.2	3.3

NOTE.—It appears that small manufacturers expanded their bank borrowings relatively more than large manufacturers during the period when credit was tightest. A possible explanation: small banks, which lend mainly to the smaller businesses, commonly keep their reserves well above the required minima, and their lending power was therefore not so much affected by the pressure on reserves in the latter half of 1966.

Source: U.S. Federal Trade Commission and Securities Exchange Commission, quarterly financial report.

Representative GRIFFITHS. If the East-West trade bill passed, what would be your anticipation about our share of the market?

Mr. TROWBRIDGE. I don't believe that the mere passage of the East-West trade bill and the implementation of commercial agreements through it, is going to have a tremendous effect on the total level of trade between the United States and the Eastern European Communist countries right away.

I think it will, first, provide the framework in which this trade can expand over a period of time, by in effect doing away with what is a differential in discriminatory trade treatment.

Secondly, I think it will show our business community that the Government does believe that the opening up of peaceful trade with this area of the world is in our national interest, and that they will then go out and develop some parts of this market.

There is a growing awareness, I think, in the American business community not only of the value from the national point of view of developing these peaceful contacts, but also that there is a sizable market in the Eastern European area at the moment being filled by the Japanese, by the West Germans, and by the Italians, by the French, by the United Kingdom.

Our businessmen surely, as good competitors, would like to be in that market and would go forward perhaps with more confidence if the bill were passed, and if we proceeded to implement these agreements.

I think we have to recognize that the pattern of trade which the Soviet Union and other Eastern European countries generally follow is one of bilateral balancing. They try to export as much as they import from a given country, whereas we tend to try to triangulate our trade.

The ability of the Soviet Union and the Communist countries to export to this country and to market in our competitive market economy is going to be crucial to the growth of their exports, and hence the level of our exports to them.

I think it would be good, frankly, to have some of our marketing methods and our competitive world known to the economy of the Soviet Union and to the Eastern countries. I think it would be very salutary to put them in the midst of it and see how they make out.