

Chairman PROXMIRE. Would you hold it for 1 minute, Mr. Shaw? I want you to hear this plug for Northwestern; it's a great institution.

Representative RUMSFELD. The chairman has a son there and the university happens to be in the 13th District of Illinois. They are working on simulators in connection with foreign policy and national security problems. I know there is a great deal of this going on in universities. That is the reason for my question. I was interested in seeing if there has been an exchange between groups in and out of government working on similar problems.

Mr. SHAW. I think we can say that the technicians of the Office of Business Economics do keep in close touch with the experts in the field. I merely wanted to add that I thought Mr. Paradiso was being a little bit modest about the Office of Business Economics. I think the model has been improved significantly since the time that we got it from the University of Pennsylvania, and Lawrence Klein.

Representative RUMSFELD. Mr. Shaw, in connection with this model, simulator or whatever it is, did you plug in to see whether or not there would be different effects depending on whether on the one hand the tax increase were adopted by the Congress, or on the other hand a comparable reduction in Federal expenditures was accomplished by the Government?

Mr. SHAW. I have not seen any recent plug-ins in the model so that I have to answer your question by saying that to my knowledge those have not been plugged in.

Representative RUMSFELD. Thank you. I am interested in this East-West trade question that Senator Symington brought up. I know it could take all day and I don't want to belabor it. It is late and I know you gentlemen have been hard at it. But let's consider your testimony. You made the comment that you can foresee substantial increases in our trade with Eastern Europe in goods and technology for peaceful uses.

Well, now, "goods and technology for peaceful uses." Who is to say what is the peaceful use of something? You can't know that. I can't know that. There have been those who during World War I, I recall, possibly it was Bernard Baruch, who said everything was strategic. Now I don't know that that is as applicable in an era of nuclear warfare, but the fact remains that it is difficult to draw a distinction. I will comment further on the reason for my mentioning that in a minute.

You say that you fully support the need for this authority that has been requested, and that you feel it will lead to worthwhile increases in peaceful trade.

Do you favor trade, just to explore this for a minute, by the United States with North Vietnam?

Mr. TROWBRIDGE. No, I do not.

Representative RUMSFELD. Right. Do you favor it with China?

Mr. TROWBRIDGE. No.

Representative RUMSFELD. Of course not. And this points up the communications problems we are having on this difficult question. You don't want to trade with North Vietnam, but not for economic reasons. For economic reasons you would favor trade with North Vietnam or China, if you were thinking only of economics, but you are not. You are plugging in some political and military considerations.