

# Speeches and messages: 1965-1967: Trade with communist countries

Senator Daniel K. Inouye Papers

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*Yes,*

SPEECH BY SENATOR DANIEL K. INOUE  
Hilo Hi School Commencement  
Hilo, Hawaii - Wednesday, June 1, 1966

TRADE WITH COMMUNIST COUNTRIES

IT IS A SINGULAR HONOR TO BE INVITED HERE TODAY, FOR COMMENCEMENT IS A VERY SPECIAL AND A VERY PERSONAL DAY. IT IS A DAY FOR FAMILIES AND RELATIVES, AND FRIENDS AND LOVED ONES, WHO COME TO RECOGNIZE YOUR ACCOMPLISHMENTS, AND TO EXPRESS TO YOU THEIR JOY IN YOUR EXISTENCE AT THIS SPRING SEASON OF YOUR LIFE. I AM DEEPLY AWARE OF THE COMPLIMENT AND THE AFFECTION YOU EXTEND TO ME IN INVITING ME HERE TO SHARE THIS OCCASION WITH YOU.

BUT COMMENCEMENT IS ALSO A VERY SERIOUS TIME. IT IS A FAREWELL TO ONE ERA AND THE BEGINNING OF ANOTHER. MOST OF YOU ARE NOW OLD ENOUGH TO MARRY WITHOUT YOUR PARENTS CONSENT; YOU ARE OLD ENOUGH TO ASSUME DEBTS; OLD ENOUGH TO PAY TAXES; YOU ARE CONSIDERED LIABLE FOR AN ACCIDENT; AND YOU ARE OLD ENOUGH TO GO TO WAR. IN RECOGNITION OF ALL OF THESE THINGS, AT LAST YOUR GENERATION WILL HAVE THE HONOR OF BEING AMONG THE YOUNGEST IN THE NATION TO RECEIVE THE FULL FRANCHISE.

IN HARMONY WITH THIS NEW ESTATE, I WANT TO SHARE WITH YOU A CONCERN OF MINE OVER A PROBLEM THAT

WILL TOUCH

WILL TOUCH EACH AND EVERY ONE OF US IN THE YEARS AHEAD:  
HOW CAN WE BEST ESTABLISH PEACEFUL RELATIONS WITH THE  
COMMUNIST NATIONS ON OUR SHRINKING PLANET? OUR STRUGGLE  
TO DO THIS HAS BEEN PARTICULARLY INTENSE DURING YOUR  
LIFE TIME. BY AND LARGE, IT HAS BEEN SUCCESSFUL. I  
WOULD LIKE, THEREFORE, TO REVIEW IT WITH YOU AS A GUIDE  
TO OUR FUTURE STRUGGLES.

I HAVE DECIDED NOT TO GIVE YOU THE USUAL  
COMMENCEMENT SPEECH -- THE RESPONSIBILITIES OF MARRIAGE,  
HOW TO SUCCEED, THINGS YOU MUST REMEMBER. PERHAPS  
YOU WILL THINK MY TOPIC INAPPROPRIATE. BUT I THINK I  
HAVE A RESPONSIBILITY AND AN OBLIGATION TO SHARE WITH  
MY CONSTITUENTS PROBLEMS AND ISSUES WHICH I FEEL SHOULD  
BE OF CONCERN TO ALL CITIZENS. OUR DEMOCRACY DEPENDS  
UPON A WELL INFORMED, OFTEN CRITICAL, AND ALERT  
CITIZENRY. COMMENCEMENT IS A TIME TO START SERIOUS  
CONSIDERATION OF TIMELY ISSUES. IF YOU FEEL DISAPPOINTED,  
PLEASE FORGIVE ME. I WOULD LIKE TO EXCITE YOU TODAY ON  
ONE SUCH QUESTION.

THE SECRETARY OF STATE, DEAN RUSK, HAS DESCRIBED  
THAT POLICY AS HAVING THREE DIFFERENT ELEMENTS:

"TO PREVENT THE COMMUNISTS FROM EXTENDING

THEIR DOMAIN;

THEIR DOMAIN; AND TO MAKE IT COSTLY, DANGEROUS,  
AND FUTILE FOR THEM TO TRY TO DO SO;

"TO ACHIEVE AGREEMENTS OR UNDERSTANDINGS WHICH  
COULD REDUCE THE DANGERS OF A DEVASTATING WAR;  
AND

"TO ENCOURAGE TRENDS WITHIN THE COMMUNIST WORLD  
MAKING FOR AN EVOLUTION TOWARD GREATER NATIONAL  
INDEPENDENCE, PEACEFUL COOPERATION, AND OPEN  
SOCIETIES."

WE HAVE IMPLEMENTED THESE POLICIES IN TWO WAYS.  
FIRST, BY MAINTAINING A MILITARY SUPERIORITY IN OUR  
WEAPONRY, AND SECOND, THROUGH A CLOSELY REGULATED  
TRADE.

WHATEVER OPINION WE MAY HAVE OF THIS POLICY,  
IT MUST BE SAID THAT IT HAS HAD SOME SUCCESS. WITH IT WE  
HAVE NOT HAD A SHOOTING WAR, AND FOR THIS WE MAY ALL  
REJOICE. FURTHER, WITH THE EXCEPTION OF CUBA, WE HAVE  
MANAGED TO LIMIT SOVIET TERRITORIAL EXPANSION. TO A  
CERTAIN EXTENT, I BELIEVE IT CAN ALSO BE SAID THAT OUR  
POLICIES HAVE AGGRAVATED THE WEAKNESSES OF THE SINO-  
RUSSIAN ALLIANCE. AND TODAY, FOR THE FIRST TIME SINCE

WORLD WAR II, WE HAVE A TIME WHEN TENSIONS WITH RUSSIA HAVE BEEN EASED: MORE TOURISTS VISIT MOSCOW; THERE IS A GREATER DOLLAR TRADE WITH RUSSIA; WE HAVE MORE CULTURAL EXCHANGES; AND THERE HAS BEEN A SUCCESSFUL JOINT UNDERTAKING IN WHICH WE STOPPED THE INDIAN-PAKISTAN WAR. I DO NOT SAY OUR DIFFICULTIES ARE OVER. THE RUSSIANS ARE TOUGH AND RUTHLESS, AND WIDE IDEOLOGICAL DIFFERENCES SEPARATE US. THE NEUTRAL UNDECLARED AREAS OF THE WORLD INVITE, AND WILL CONTINUE TO INVITE OUR TWO POWER BLOCS TO A CONTINUAL TUG OF WAR FOR THERE IS STILL NO SUPER GOVERNMENT THROUGH WHICH BARGAINING AND ADJUSTMENTS CAN BE MADE, AND UNTIL THIS OCCURS, NATIONS WILL OPERATE AUTONOMOUSLY IN PURSUING THEIR GOALS.

IT IS IN THE LIGHT OF THIS FUTURE STRUGGLE WITH COMMUNISM THAT I WOULD LIKE TO EXAMINE WITH YOU THE TWO BASIC TOOLS BY WHICH WE HAVE IMPLEMENTED OUR POLICIES IN THE PAST. FIRST, THESE ARE THE MAINTENANCE OF MILITARY SUPERIORITY. I THINK WE CAN AGREE THAT ALTHOUGH MILITARY SUPERIORITY OVER COMMUNIST NATIONS WAS ABSOLUTELY NECESSARY IN THE PAST, IT HAS BEEN AN EXTREMELY DANGEROUS WAY TO MAINTAIN THE PEACE. AS WE HAVE SEEN, NO MATTER HOW MUCH WE SPEND, WE CANNOT BE ENTIRELY CERTAIN WE

HAVE A MONOPOLY

HAVE A MONOPOLY ON WEAPONRY. AT FIRST WE HAD SOLE POSSESSION OF NUCLEAR WEAPONS, BUT THIS DID NOT LAST. ON MISSILES, THE RUSSIANS AT FIRST WERE AHEAD. WE WERE FIRST WITH A NUCLEAR SUBMARINE, BUT TODAY WE HAVE BEEN JOINED BY A RUSSIAN FLEET. THE IRONY IN OUR STRUGGLE FOR MILITARY SUPERIORITY IS THAT INCREASINGLY IT YIELDS LESS SECURITY. OUR ABILITY TO TRIPLE KILL IS NOT MUCH SECURITY IF OUR ENEMY CAN DOUBLE KILL.

THERE IS ANOTHER DANGER. TO FIND OUT JUST HOW MUCH THE OTHER MAY BE BLUFFING, EACH MUST TEST. WE CALLED IT "BRINKMANSHIP." FORTUNATELY FOR EVERYONE, WE SURVIVED THE FINAL SHOWDOWN ON THE CUBAN MISSILE CRISIS. BUT WHAT IF EITHER SIDE HAD BEEN "TRIGGER HAPPY"? OR SUPPOSE KHRUSHCHEV AT THAT POINT HAD FAILED TO BELIEVE WE REALLY MEANT BUSINESS? WHAT WOULD OUR WORLD BE TODAY?

NOW, WE ARE WITNESSING THE EMERGENCE OF COMMUNIST CHINA AS A NUCLEAR POWER. THE POINT I THINK WE MUST ALL CONSIDER IS: CAN WE EXPECT THE SAME EVOLUTION TO BE REPEATED WITH HER, AND IF SO, WHETHER WE CAN EXPECT TO LUCK OUT AS WELL A SECOND TIME.

THERE IS STILL

THERE IS STILL A THIRD DANGER, AND THOUGH IT SEEMS THE LEAST IMPORTANT, I FEEL IT MAY BE THE MOST IMPORTANT. IT IS THE MATTER OF COMMUNICATION. RELIANCE ON STRENGTH TENDS TO CUT OFF A RELIANCE ON TALK. EVERY MOVE MADE, WHETHER INNOCENT OR INTENTIONAL, BY A GOVERNMENT IS VIEWED BY THE OTHER AGAINST A BACKGROUND OF ITS ARMED MIGHT. MEN BECOME AFRAID; SECRECY BECOMES A VIRTUE; HATE A NATIONAL CREDO; AND WHEN FIGHTING STARTS, ALL DIALOGUE STOPS. ONLY WEARINESS WITH BLOODSHED GIVES IT NEW APPEAL.

WE DO NOT MENTION MONEY IN MATTERS OF NATIONAL SAFETY. OUR NATION HAS NEVER FALTERED IN THE CHOICE BETWEEN THE SACRIFICING OF MATERIAL WEALTH OVER HUMAN WEALTH. BUT OUR DOLLAR EXPENDITURES FOR MILITARY SUPERIORITY HAS BEEN STAGGERING. SINCE 1948 WE HAVE SPENT OVER \$ 832.7 BILLION IN MILITARY ASSISTANCE AND NATIONAL DEFENSE. AT PRESENT SPENDING, IN THREE YEARS THIS FIGURE WILL REACH \$ ONE TRILLION. I WISH TO BE UNMISTAKABLY CLEAR ON THIS POINT. AS I SEE IT, WE HAD NO CHOICE. WE FOLLOWED THE ONLY WISE AND COURAGEOUS COURSE OPEN TO US. FORCE WAS THE ONLY GOD THE COMMUNISTS WORSHIPPED, AND FORCE WAS THE ONLY GOD THEY

OBEYED.

OBEYED.

AT THE SAME TIME, I WOULD SUGGEST THAT TO RELY ON NEWER AND BETTER WEAPONS SOLELY POSES SERIOUS DANGERS. I STRESS THIS POINT BECAUSE EVERY DAY I RECEIVE MANY LETTERS IN MY OFFICE FROM PEOPLE ALL OVER THE COUNTRY WHO URGE THAT WE USE THE WEAPONS WE NOW HAVE AND THAT WE END THE WAR QUICKLY WITH A BOMB OR TWO ON VIETNAM OR PEKING. "WHY DO WE HAVE THEM IF WE DON'T USE THEM", THEY ASK. "LET'S GET IT OVER WITH SO WE CAN GET THE BOYS HOME." FORTUNATELY, WISER AND MORE BALANCED JUDGMENT HAS PREVAILED IN THIS COUNTRY.

IT IS THE SECOND ASPECT OF OUR FOREIGN POLICY IN DEALING WITH COMMUNIST NATIONS THAT I BELIEVE NEEDS OUR SPECIAL ATTENTION IN THE YEARS AHEAD. I CALL IT THE "DIALOGUE OF TRADE." THERE ARE MANY FORMS OF DIALOGUE. PEOPLE COMMUNICATE THROUGH MUSIC AND DANCE; ARCHITECTURE EXPRESSES FEELING IN STILL ANOTHER FORM. LANGUAGE IS OUR MOST PRECISE METHOD OF COMMUNICATION, BUT AS WE HAVE SAID, IN HOSTILE SITUATIONS, IT IS OFTEN DECEPTIVE AND MISCONSTRUED. I AM, THEREFORE, SUGGESTING ANOTHER FORM OF DIALOGUE -- THE DIALOGUE OF THE MARKET PLACE. IT IS A DIALOGUE IN WHICH MEANINGS CAN BE

CREATED FROM MATERIALS DIRECTLY SENSED. THE MATERIALS SPEAK FOR THEMSELVES. THE WELL DESIGNED COAT, THE ATTRACTIVE GLASSWARE, THE EFFICIENT MACHINE, THE WELL MADE POWER TOOL SPEAK OF THE NATION THAT MADE IT, AND THEY CREATE A YEARNING IN THE HEARTS OF THE PEOPLE WHO EXAMINE THEM. I HAVE HOPES THAT THIS YEARNING CAN BE USED INTELLIGENTLY TO PROVIDE AN ALTERNATIVE TO MILITARY AGGRESSION IN THE COMING YEARS.

HOWEVER, MANY PEOPLE UNFORTUNATELY DO NOT UNDERSTAND THE ROLE OF TRADE. EVERYDAY IN MY OFFICE I RECEIVE MANY COMPLAINTS FROM PEOPLE ALL OVER THE UNITED STATES PROTESTING THE "TRAITOROUS" POLICIES OF OUR COUNTRY IN TRADING WITH COMMUNIST COUNTRIES. THEY PROTEST THAT WE ARE FIGHTING THE VIET CONG ON THE ONE HAND AND TRADING WITH RUSSIA ON THE OTHER. I THINK IT IS IMPORTANT THAT IN HAWAII WE UNDERSTAND WHAT CAN BE DONE WITH TRADE. LOCATED IN THE MIDDLE OF THE PACIFIC, WITHIN THREE HUNDRED MILES OF THE SHIPPING LANES THAT CRISS-CROSS THE PACIFIC, TRADE WITH COMMUNIST COUNTRIES MAY HAVE GREAT SIGNIFICANCE IN OUR LIVES.

FIRST, I MUST MAKE IT CLEAR THAT I AM NOT REFERRING TO TRADE IN GUNS AND WEAPONRY OR IN MATERIALS

NECESSARY TO WARFARE.

NECESSARY TO WARFARE. WE WILL NEVER DO THIS. BESIDES NO FIRST CLASS MILITARY POWER RELIES UPON ANOTHER NATION TO MAKE OR SUPPLY ESSENTIAL INGREDIENTS. I AM TALKING ABOUT CONSUMER GOODS, RAW MATERIALS, OR MANUFACTURED ARTICLES THAT MAY CREATE GOODS AND COMMERCE. I AM ALSO TALKING ABOUT INFORMATION EXCHANGE AND EVEN CLOSELY CONTROLLED FINANCIAL TRANSACTIONS IF THEY LEAD TO IMPROVEMENT IN TRADE. OF COURSE SUCH TRADE MUST BE REGULATED AND ADJUSTED TO CHANGING CONDITIONS WITHIN THE COMMUNIST COUNTRIES. THIS HAS BEEN OUR TRADE POLICY SINCE 1948, WHEN THE FREE WORLD AND JAPAN AGREED TO LIMIT EXPORTS TO NON-STRATEGIC MATERIALS AND TO COORDINATE THIS EXCHANGE WITH CHANGES FOR THE BETTER IN THE ATTITUDE AND BEHAVIOR OF COMMUNIST NATIONS.

TO ILLUSTRATE HOW IT WORKS LET ME TELL YOU OF THE MAJOR BLUNDER JOSEF STALIN COMMITTED IN 1948. YUGOSLAVIA HAD RESISTED SOME OF HIS CRUEL DECISIONS AND FOR HER DISOBEDIENCE STALIN CUT HER OFF FROM THE COMMUNIST HOUSEHOLD AND PUNISHED WITH THE MOST POTENT WEAPON HE COULD USE ON A MEMBER OF HIS OWN FAMILY: HE CUT OFF TRADE. IT WAS A MOVE TO HUMILIATE HER FOR SHE WAS NOT SELF-SUFFICIENT. BUT THEN, AS SOMETIMES

HAPPENS,

HAPPENS, THE FREE WORLD MADE A WISE MOVE, IT OFFERED ITS OWN TRADE IN PLACE OF RUSSIA'S. IT OFFERED HER FINANCIAL AND ECONOMIC ASSISTANCE; AND WHEN AT LAST RUSSIA DISCOVERED THE ERROR OF HER OWN POLICY, YUGOSLAVIA WAS INVITED BACK INTO THE FAMILY TRADE. YUGOSLAVIA RETURNED, BUT NEVER AS THE SAME DEPENDENT AND FEARFUL DAUGHTER SHE HAD BEEN BEFORE. AS SOMETIMES HAPPENS IN A FAMILY, THERE WERE SOME INTERESTING SIDE EFFECTS. SISTER STATES IN THAT HOUSEHOLD DECIDED THAT IF ONE COULD GET AWAY WITH IT, THEY COULD TOO.

THE HOUSEHOLD WAS NEVER QUITE THE SAME. TODAY, 65 PER CENT OF YUGOSLAVIA'S TRADE IS WITH NON-COMMUNIST COUNTRIES. LAST YEAR THE UNITED STATES HAD A TRADE VOLUME OF \$ 252 MILLION, OF WHICH OUR EXPORTS WERE \$ 62 MILLION. YUGOSLAVIA HAS REDUCED THE POLITICAL CONTROLS ON HER ECONOMY AND TRADE RESTRICTIONS WITH OTHER COUNTRIES HAVE GRADUALLY LESSENER. IN EXCHANGE, THE FREE WORLD HAS EXTENDED HER INTERNATIONAL CREDIT FOR LOANS AND ECONOMIC COOPERATION AND ASSISTANCE IN DEVELOPMENT. RIGHT NOW THERE IS A MOVE TO INVITE AMERICAN INDUSTRY INTO YUGOSLAVIA IN JOINT OWNERSHIPS.

YUGOSLAVIA HAS

YUGOSLAVIA HAS ALMOST NO MINERAL WEALTH, BUT AS A RESULT OF SUCH ACTIVITIES, TODAY SHE HAS ONE OF THE HIGHEST RATES OF ECONOMIC GROWTH IN ALL THE NATIONS OF THE COMMUNIST BLOC. A SIMILAR STORY CAN BE TOLD FOR POLAND AND MORE RECENTLY FOR CZECHOSLOVAKIA, BULGARIA AND ROMANIA WHERE JUST LAST MONTH RUSSIA WAS ASKED TO REMOVE HER OCCUPATION ARMY. EVEN RUSSIA IS NOW SHOWING GRATIFYING SIGNS OF CHANGE, AND WITH THESE IMPROVEMENTS HAVE COME INCREASES IN BENEFITS ANY NATION ENJOYS FROM INTERNATIONAL TRADE AND COOPERATION.

I DO NOT SAY THAT TRADE WILL END WARFARE. TRADE DID NOT END IT WITH JAPAN AND GERMANY BEFORE WORLD WAR II, AND CHINA MAY BE VASTLY DIFFERENT THAN RUSSIA AND HER SATELLITES. BUT AT THE SAME TIME THERE ARE TWO COMPELLING NEW FACTORS IN THE WORLD TODAY: THE FIRST IS THAT NOW NATIONS KNOW THAT THEY DESTROY THEMSELVES AS WELL WHEN THEY INDULGE IN ULTIMATE WARFARE; AND THE SECOND IS THAT WITH CREDIT, TECHNOLOGY, AND TRADE THEY CAN GAIN THE NECESSITIES THEY FORMERLY GAINED BY TERRITORIAL AGGRESSION.

WITHIN THIS CONFIGURATION, TRADE PROGRAMS HAVE

REAL POTENTIAL FOR GOOD. BUT THEY FACE ONE VERY SERIOUS AND CRIPPLING PROBLEM: IT IS A STUBBORN FACT THAT THIS COUNTRY OFTEN DOES NOT WANT THE TYPES OF SURPLUSES OTHER COUNTRIES HAVE TO SELL. IF THE PRODUCT CAN BE MADE AT HOME, AND MOST OF THEM CAN BE, WE DO NOT WANT THEM, EVEN WHEN THEY ARE MADE BY FRIENDLY NATIONS. IN WASHINGTON WE HEAR THE SCREAMS: "WE ARE DOUBLE-CROSSING OUR OWN PEOPLE TO HELP THE 'FOREIGNERS' " AND THE INJURED PARTIES CRY FOR HIGH TARIFF WALLS -- NOT ON ALL ITEMS USUALLY, BUT JUST ON "THIS ONE".

NOW IF WE HEAR THIS KIND OF PROTEST WHEN OUR FRIENDS WANT TO PENETRATE THE AMERICAN MARKET, WHAT DO YOU SUPPOSE WILL BE THE REACTION IF WE OPENED OUR MARKETS TO COMPETITIVE COMMUNIST MERCHANDISE? DO YOU REMEMBER THE ANGRY COMPLAINTS WHEN WE SOLD SURPLUS WHEAT TO THE RUSSIANS? WE NEEDED THAT GOLD TO BALANCE OUR TRADE DEFICITS. HOW CAN WE HOPE TO STIMULATE TRADE IF WE ARE NOT WILLING TO BUY TOO? TRADE MUST BE A TWO-WAY PROPOSITION -- NOT JUST ONE WAY. IF WE PUT UP TARIFF WALLS AGAINST FOREIGN PRODUCE, WE CANNOT YELL WHEN THEY DO THE SAME THING TO US, YET THAT VERY THING HAS HAPPENED BETWEEN THE UNITED STATES AND THE

COUNTRIES IN THE

COUNTRIES IN THE COMMON MARKET OF EUROPE. I FEAR THAT AS A NATION WE ARE JUST A LITTLE BIT NAIVE AND MAYBE JUST A LITTLE SELFISH AND SHORTSIGHTED IN HOW WE VIEW TRADE WITH OTHER COUNTRIES. THEY NEED TO KEEP THEIR TRADE BALANCED TOO.

I CANNOT PROMISE YOU SOMETHING FOR NOTHING. THREE, FOUR, AND FIVE WAY TRADE ARRANGEMENTS NEED TO BE WORKED OUT -- THE MORE THE BETTER. THESE NEED TO BE INTEGRATED WITH INVESTMENT CAPITAL SO THAT UNDER-DEVELOPED NATIONS' LABOR POTENTIAL CAN BE UTILIZED. WE CAN LEAD IN EVERY STEP OF THE WAY. BUT EVENTUALLY THIS COUNTRY MUST BE WILLING TO BUY, IF THE ARRANGEMENT IS TO BE FINANCIALLY ACCEPTABLE TO ANOTHER. AND IF WE HOPE TO EXTEND THE SUCCESSES WE HAVE ENJOYED THUS FAR IN TAMING RUSSIAN COMMUNISM IT SEEMS TO ME WE HAVE AN EDUCATION JOB TO DO ON OUR OWN PEOPLE.

WHAT DO WE HOPE TO GAIN? MARKETS. THE MORE DEVELOPED ANY COUNTRY IS, THE MORE THEY WANT WHAT WE HAVE TO SELL, AND THE MORE WE WANT OF WHAT THEY HAVE TO SELL. JAPAN IS A GOOD EXAMPLE.

WE ALSO WANT TO CREATE A CONTINUALLY RISING

TASTE AND DEMAND

TASTE AND DEMAND FOR CONSUMER GOODS -- THE LUXURIES, THE NICETIES OF LIFE. WHY? BECAUSE THE MORE PEOPLE WANT THESE THINGS, THE LESS THEY ARE WILLING TO SACRIFICE FOR WAR THEY MAY DIE WINNING.

NEXT, WE WANT TO CORRODE THE RIGID IDEOLOGY OF COMMUNISM AND TO MAKE THEIR SYSTEMS MORE COMPATIBLE WITH OUR OWN. ALL THESE THINGS WE HAVE BEEN SUCCESSFUL IN DOING IN COMMUNIST EUROPE.

JUST WHAT ARE WE AFRAID OF? DON'T WE BELIEVE IN FREE ENTERPRISE? DON'T WE KNOW WE HAVE THE MOST EFFICIENT ECONOMIC SYSTEM IN THE WORLD? WE KNOW THERE IS A WORLD DEMAND FOR THE PRODUCTS WE HAVE TO SELL. WE HAVE THE BACKING OF TREMENDOUS RESOURCES IN TECHNOLOGY AND WEALTH. OUR GROSS NATIONAL PRODUCT HAS BEEN RISING STEADILY SINCE 1960, WHILE RUSSIA'S HAS BEEN DECLINING SLIGHTLY. SINCE THE OVERALL VOLUME OF OUR TWO ECONOMIES ARE SO VASTLY DIFFERENT, THE ACTUAL GAP BETWEEN THIS COUNTRY AND THE SOVIET UNION HAS, SINCE 1960, WIDENED BY SOME \$ 60 BILLION. THERE IS SMALL CHANCE RUSSIA WILL EVER CATCH UP.

IN 1964, THE YEAR FOR WHICH WE HAVE THE LATEST

COMPLETE FIGURES,

COMPLETE FIGURES, TRADE BETWEEN THE FREE WORLD AND THE COMMUNIST COUNTRIES WAS \$ 5.5 BILLION EACH WAY. THE UNITED STATES' SHARE OF THAT WAS \$ 340 MILLION, ONLY 1.3 PERCENT OF OUR TOTAL EXPORTS THAT YEAR.

I AM, THEREFORE, SUGGESTING THAT WE EXAMINE CAREFULLY OUR OPPORTUNITY TO TRADE WITH COMMUNIST COUNTRIES. AND IF IN THE YEARS AHEAD OUR COUNTRY SEES WAYS TO OPEN CHINA TO PEACEFUL TRADE AND THROUGH PATIENT EFFORTS TO LEAD HER AWAY FROM MILITARY AGGRESSION, WE WILL HAVE ACCOMPLISHED MUCH. WE CANNOT HOPE TO CHANGE THEIR EXISTENCE COMPLETELY; BUT IF WE CAN ESTABLISH PEACEFUL COMPETITION IN THE MARKETPLACE, WE SHALL HAVE COME A LONG WAY FROM THE DANGERS OF BRINKMANSHIP.

I AM CONFIDENT YOU HAVE A GOOD FUTURE, AND I WISH YOU EVERY HAPPINESS AND SUCCESS.