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THE NEW YORK TIMES, MONDAY, MAY 23, 1966.

Terms for Trading With East

To the Editor:

CPYRGHT

In your May 4 editorial "Trade Bridges to the East?" surely the purpose of bridges must be to encourage liberalization. If so, the economic sphere now may offer the best possibility for new initiatives. But something more imaginative than catching up with West Europe and Japan appears to be necessary.

The steps you mention faithfully reflect the conventional wisdom, but will they really do much to promote liberalization? Have more generous commercial credit or higher prices through M.F.N. (most favored nation) by West Europe and Japan made these regimes any more liberal? or have they perhaps allowed the present conservative leaders to drag their feet on reform even more. Our own ten-year experience with Poland should give us pause.

As to our exports, since items prohibited to the East are generally available in other industrialized Western countries, removal of our controls appears to be largely irrelevant to the question of liberalization.

The real issue is when the present regimes will be forced to acknowledge that there is no substitute for Western commercial practices when trying to sell in world markets and will get on with the much discussed reform of their foreign trade (as well as domestic) economic institutions. Why should we enter the credit or tariff-reduction race gratis, when we can seek a *quid pro quo* in terms of the institutional reform that we would like to see?

HENRY W. SHAEFER
Washington, May 11, 1966.