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The New Economic Togetherness: American and Soviet Reactions

Nathan Leites

A Report prepared for
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

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PREFACE

The new economic togetherness between the United States and the Soviet Union, dating from early 1973 and reaching a kind of high plateau during Party Chairman Leonid Brezhnev's visit to San Clemente in the summer (it was to be disturbed in the fall), induced certain kinds of reactions in both West and East. This report is organized around these two sets of reactions: "Our Hopes" and "Their Calculations." It attempts, through the author's method of selecting and juxtaposing public statements from influential observers in government, industry, and the press, to illuminate (sometimes with ironic effect) the process of rising expectations and expanding hopes. In an appendix, the author furnishes an imagined, candid Soviet criticism of publicly expressed U.S. attitudes and beliefs.

A note may be necessary about the style of presentation. Often, when attempting to portray a belief, the author expresses it *as if* he were advancing it. The context should make the intention clear. Some care has been taken in the appendix, where the pronouns "we" and "they" temporarily change hats, to make the point of view unmistakable.

This work grows out of a Rand study of international-security issues involved in technology exchange, sponsored by the Defense Advanced Research Projects Agency.

SUMMARY

OUR HOPES: AMERICAN REACTIONS

A number of well-known factors have contributed in the early seventies to a sharp and rapid change in American reactions to economic relations with Communist states, particularly the Soviet Union. These states, as a group, have come to be credited with less of an urge to advance, for defensive or offensive purposes, than had been the case before. Their cohesion has evidently weakened or turned into its opposite—mutual enmity. The economic growth rate of the Soviet Union has fallen. The capacity of U.S. or U.S.-induced economic warfare significantly to affect Communist military postures has come to appear limited, both as to our direct impact on our potential opponent and as to our capacity to make our allies follow our lead. Our balance-of-payments difficulties have made us more interested in any partner toward whom there is a chance of developing a surplus, thereby enabling potential exporters to Communist countries to believe and argue that what is good for them is even better for the nation. The energy “crisis” has for the first time made Communist resources appear to be American assets.

But we have not stopped at mere normalization, assimilating economic relations with Communist states to transactions with any other partners. If prior to the early seventies the dominant belief was that trade with Communists isn’t just trade, it’s bad, a prevailing supposition now is that, while still not just trade, it’s good.

Thus, over the past quarter-century we have gone through several phases with respect to our views of business with Communists.

Phase 1 (High cold war): As soon as a transaction would procure economic gain to Communists—and which would not (after all, it’s a transaction)?—one should abstain from it.

Phase 2 (Low cold war): If our economic gain would exceed theirs, we may engage in a transaction with them.

Phase 3 (Low détente): Never mind how small our economic gain and how large theirs; as soon as there is political gain from a transaction, it should be undertaken.

Phase 4 (High détente): Never mind how large (up to a limit left undetermined) our economic loss and how large their economic gain; as soon as there is political gain from a transaction—or avoidance of political loss, which might be substantial—it should be undertaken.

Phase 5 (Normalcy achieved): Never mind our or their political gain, or their economic gain; as soon as there is economic gain for us we should do it. And the greater their economic gain, the greater the future political gain for us.

As to the impact that economic relations with us might have on the Soviets’ *potential* for creating military power, it used to be argued by those who proposed to abolish the barriers erected around 1950 against transactions with Communist states that a sufficient safeguard was to limit our exports to “non-strategic” items. However, slowly the point of economics about the “fungibility” of factors of production through time has left its mark: *any* exchange—and particularly one involving high-technology Western goods or “disembodied” high Western technology—would leave the Communist states with resources changed in such a way that a given increment of military goods could subsequently be produced with a smaller loss to the non-military sector.

Also, it was observed, if we deny the Communist states certain goods, we merely induce them to undertake, in time, the production of the goods themselves (at a higher cost, to be sure). Thus, if we do not expect a military confrontation to be imminent, we shall merely have reduced our potential enemies' degree of economic dependence on us at the price of a temporary increase in hardship to them—an increase that, if it has any impact at all at the time, will soon be forgotten thereafter.

Another way to oppose a denial of trade for the sake of reducing Eastern military potential has been to maintain that in a Communist state the military budget has absolute priority—that is, attains at any given time the then desired level regardless of how little is left over. Evolving perceptions of Soviet domestic politics, however, have made this affirmation less plausible; non-military producers/consumers were discovered to be not without influence on the allocation of resources. So Moscow, receiving butter from abroad, might divert fewer (or no) domestic resources from guns to butter, while yet achieving its objective of such-and-such an increase in the supply of the latter to consumers pressing for more.

But what if an increased production of consumer goods, particularly durables, made possible by transactions with the West creates the need for many more, which have to be produced at the expense of military goods? It is often implied that Communist importers of a central item of a consumption system overlook how many other elements it includes, elements they will be impelled to procure once they have started building the system. Also, it may be predicted, the appetite of Eastern publics will be whetted by the increment of consumer goods their authorities grant them as a consequence of transactions with the West; this, it is foreseen, will in turn force the authorities to go much farther than they had originally intended in shifting the gross national product away from non-consumer goods (including military items).

Thus the export of high technology to the Soviet Union—and the probable ensuing increase in the rate of Soviet technological advance—would seem to put us into a potentially weaker military position, in an epoch when Moscow may be under *some* pressure from consumers which it might otherwise have to satisfy at military expense. But such export would become militarily favorable to us if it indirectly induced Soviet leaders to yield to desires of consumers which we would have greatly *reinforced*.

Will the Politburo lend itself to the scenario that we have displayed before it? Does it not have a measure of control over the degree to which the population's ordinary desires will be satisfied, or even felt? Will such control not allow it to use indirectly the inputs we may be providing for substantial military advantage?

No, one might then respond, simply because the fraction of GNP at stake—the difference between Soviet GNP with the least forthcoming policy practicable, on the one hand, and under the most generous terms of credit at present envisaged, on the other hand—is too small to change the military balance between the Soviet Union and ourselves, or even NATO, significantly.

But might not our impact on Communist intentions, rather than capabilities, be more substantial? If it is, this would justify going beyond *normalization* to *economic aid*—for instance, by the government reducing risks so that otherwise unattractive deals become appealing to private enterprise.

According to apparently influential beliefs—though public expressions may go farther than actual expectations—the higher the level of economic relations between us and the Soviet Union, the more numerous the contacts with little conflict between Americans and Soviet citizens of all kinds and the lower the Politburo's fear and hostility with regard to us and its capacity—with regard to its own society—to act against us. All of this assumes a high level of ability, on our part, to penetrate

Soviet society—more accurately, of the Politburo's willingness to let us, and our capacity to overcome its countermeasures—as well as a strong influence on the Politburo's conduct by elements of Soviet society which may have become more friendly to us. Each of these assumptions, while not disprovable, is dubious.

The higher the level of the West's economic relations with the East—and the higher, thereby, the Eastern growth rate—the more, it is claimed, the East will reduce the distance between its economic arrangements and ours. This, in turn, should cause the East to adopt more practices of the West, which, too, should reduce conflict. While these forecasts are not beyond possibility, questions similar to those formulated in the preceding paragraph can be raised about them. In addition, the probability of a ruling Politburo adopting Westernizing "reforms" may vary directly with the stringency of the economic situation produced by the very arrangements it prefers; so that economic contributions from the West would be a substitute for changes away from Communist orthodoxy.

The higher the level of Soviet-American exchanges, the less, it is suggested, the Politburo will be inclined to put our contribution to its economy at risk by a forward policy. Major attempts to advance are likely to be undertaken by Moscow only to avoid losses or to secure gains of a size that would dwarf the economic benefits imperiled; and Washington may be more susceptible than Moscow to pressure by those whose *particular interests* require the maintenance of the economic status quo. We may even have made ourselves more dependent on the Politburo, with regard to our *national objectives*, than they on us.

THEIR CALCULATIONS: SOVIET REACTIONS

Surely the Politburo does not believe what it has professed, firmly though politely (at least compared with its manners in the past): that difficulties of all kinds have recently "forced" the United States to accept an offer that Lenin toward the end of his life conveyed to Armand Hammer at the start of that young man's long career. Yet Soviet leaders are apt to have noted that it is we who have moved farther away from earlier positions than they—which may help to mitigate their unexpressed discomfiture about economic setbacks, and their transparent dismay about seeking an underdeveloped country's privilege of exchanging raw materials for advanced technology.

Being, for all its efforts to obscure or deny, very much on the asking end, the Politburo, even in its earlier disposition toward rudeness, would not want to be unpleasant. But this avoiding of offensiveness happens to operate at an advanced stage in the Soviet ruler's lengthy progress toward the insight that rudeness is just as likely to be punished as to be rewarded. It is perhaps because of this coincidence that the Politburo has changed its style in major ways. Doing so, they may increase not only the chance of obtaining the economic benefits they are after, but also the probability of making the political gains that eluded them in their earlier mode. The Soviet rulers seem, finally, to have recognized that there are any number of situations where one most fully "utilizes" another's weakness not by pressing against him, but rather by *appearing to* support him; and any number of situations where one maximizes the probability of a desired change, again, not by pressing for it, but rather by seeming to find the obnoxious status quo perfectly livable, while suggesting that there might be something better in the direction in which one had been vainly straining. Thus the Politburo has seemingly discovered that, for a while at least, the most effective way to work for our removal from Western Europe is *not*

to work for it—an overall stance both supporting its new posture on economic relations with the West and being supported by it.

In particular, from its origins until a recent date, the Politburo had taken it for granted that the optimal moment to counterattack in politics is the earliest one, and that the mode for doing so is in kind, only more strongly. They now know better. Influential Americans have, as noted above, accompanied their acceptance of our new economic closeness to the Soviet Union with public forecasts of the “political gains” therefrom—forecasts both, no doubt, expected by the Politburo and repugnant to them. In cruder times, Moscow would have responded with blasts to any such hopes. This, however, would have reduced our enthusiasm, and perhaps moderated our offers to the Soviets. At present they do it differently. They can now be content to counter our imaginary penetrations with another application of Lenin’s dictum at the introduction of the New Economic Policy in the late winter of 1921: we can allow a strengthening of bourgeois and petty-bourgeois elements in city and countryside on condition of putting the Mensheviks in prison. The advice was acted on in 1921, and has been again, as has been amply reported, in 1972-1973. As to the changes in Soviet economic organization called for by Americans, the latest plans for industrial reorganization developed in Moscow take a hard line on the monopoly of foreign trade. There has been a shift on the issue of the ruble’s convertibility with Western currencies, from vague and occasionally accommodating formulations to outright rejection. At the same time, rebuttals to numerous disclosures that a main objective of ours in intensifying economic relations with the Soviet Union is to accomplish what the Politburo no doubt calls, within its walls, the “restoration of capitalism”—such rebuttals have been rare and sober.

In the past, any given stance of the Politburo was apt to be dominated by the enemies it was then combating. It has now become capable of doing otherwise. The Soviets are challenging neither NATO nor the European Community. Instead of continuing their traditional presentation of these entities as dangerously evil, they are content with suggesting—more in sorrow than in anger, more in regret than in sorrow, more with hope of change than with regret—that without these organizations things would be (even) better than they are. For the Politburo has finally understood that such mellowness is more damaging than their traditional pushing and pulling. It is by accepting the Common Market that Moscow hopes to blunt incentives to develop comparable political and defense institutions.

In the ascendant, particularly as regards economic relations with the United States, is the image of a rather harmless enemy: Jackson-Javits-Meany, whose collective wickedness is dwarfed by the futility of their endeavors. Earlier, any enemy of the Politburo, however limited his power, was regarded as an unlimited danger to be countered fiercely.

In the context described, the Politburo may be putting to political use one aspect of its reaching for and attaining a higher level of economic, technological, scientific relations with the West. Soviet officials—and which Soviet citizen abroad is not (in fact, if not in form) one?—have increasingly entered into international activities from which they had earlier held themselves aloof: a stance that had magnified the impression of hostility they conveyed. The present Soviet leaders may believe that in the context and by the use of their new foreign economic policy they now complete the undoing of some of the great Stalin’s mistakes—the refusal to enter into the “Marshall Plan” organizations as well as the Soviet absence from the central bodies of the United Nations at the time the war in Korea broke out. Just as the Party used to proclaim itself of “a special kind,” so did the Soviets at large. Now, while they maintain, though in less shrill fashion, an assertion of unique excellence, they have transmuted their image from that of forbidding and menacing loners into that of

omnipresent and at least tolerable joiners. To use the vocabulary of Trotskyites (who debated whether to remain by themselves or to go where others are, so as in the end to dominate a larger sphere), the Politburo has considerably enhanced its degree of "entrism." "Ties (*svyazi*)" with the West rather than mere "relations (*otnosheniia*)," have, in the Party's public stance, become one of those good dimensions—such as, for instance, the "ties" of the Party with the people—along which one strives for ever "higher" positions. Such ties are now seldom presented as directed against anybody nor even as in the service of a particular remote objective distinct from current activities; rather, they appear (in another striking departure from the previous disposition to view the present as a mere means to a transfigured future) as ends in themselves. The Politburo may have learned to cater to the American belief that there is a direct relationship between the number of "constructive" agreements we sign with a country and some desirable quality of our relationship with it. That there have been more contacts between the two halves of Europe from 1970 to 1972 than in all the preceding years since World War II may indeed be something which the Politburo in private experiences in unmodified Bolshevik fashion—a mere means to more power, and a gloriously economic one—but which it publicly welcomes for its own sake (an obvious condition for the new conduct being productive).

All of which may have seemed to the Soviet rulers until the fall of 1973 noticeably cost-effective.

- The Politburo was not challenged until mid-1973 on its accustomed degree of control within its domain.
- It improves its overall military posture relative to that of NATO.
- It enhances the importance of those in the West whose economic stakes in transactions with the Soviet Union may make them averse, say, to economic sanctions against a politically or militarily forward Politburo—this at the cost, to be sure, of increasing the range of such sanctions. But then the Soviet rulers have probably come to appreciate more fully the impact of *short-run* interests of *particular* sectors within the "capitalist class" on the policies of a "capitalist" state idealized by the Bolsheviks as the guardian of the *long-run and general* interests of that class.
- The Politburo's stance (until recent months) made an aversion in the West toward the Soviet Union a familiar archaism, comparable to a maintained reluctance to buy a Volkswagen—thus reducing the threat that Moscow may come to dominate Western Europe to the level of the fear that Bonn may become preponderant there.

Such, it may be conjectured—we possess, of course, no conclusive evidence on the Politburo's calculations—is the serious meaning of conventional formulations that top-level Soviets employ about the political bonus they expect from their new stance on economic-technological-scientific relations with the West, solidly grounded in economic need though that stance is. "Stable economic ties," runs a standard theme, "are exceedingly important . . . from the point of view of creating favorable conditions for the solution of . . . international problems" (Kosygin to the Supreme Soviet, November 24, 1971). Decoded: "The recent extension in commercial and economic ties between socialist and capitalist countries in Europe has acted like a torpedo on 'cold war' policies." (A. Vetrov and V. Kazakevich, *Foreign Trade*, November 1972).

During what is apt to be privately viewed in the Kremlin as a second NEP—this time on an international scale (there must be some progress over half a century)—it has become appropriate in Soviet publications to quote from the first experience. "What is at the bottom of our improved international position," the People's Com-

missar of Foreign Affairs said in early 1924, "is . . . especially our improved economic ties with all countries" (quoted by I. Kovan, *Foreign Trade*, No. 4 (1973)).

While we may attribute weight to "the Administration's patient efforts to bring . . . the Soviet Union . . . into closer contact with the . . . world" (James Reston, *The New York Times*, June 22, 1973), the Politburo may, rightly or wrongly, minimize the influence we exert on them. And we will probably underestimate the degree to which their new conduct is due to fresh (and perhaps more correct) views as to how to handle us.

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SHORT TITLES OF PRINCIPAL REFERENCES

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| <i>Views on East-West Trade, 1964</i> | <i>East-West Trade. A Compilation of Views of Businessmen, Bankers, and Academic Experts.</i> Committee on Foreign Relations. U.S. Senate, 88th Congress, 2nd Session, Washington, D.C., 1964. |
| <i>East-West Trade Senate Hearings, 1964</i> | <i>East-West Trade: Hearings Before the Committee on Foreign Relations.</i> U.S. Senate, 88th Congress, 2nd Session, Part I, Washington, D.C., 1964. |
| <i>East-West Trade Senate Hearings, 1965</i> | <i>East-West Trade: Hearings Before the Committee on Foreign Relations.</i> U.S. Senate, 89th Congress, 1st Session, Part II, Washington, D.C., 1965. |
| <i>East-West Trade Senate Hearings, 1968</i> | <i>East-West Trade: Hearings Before the Subcommittee on International Finance of the Committee on Banking and Currency.</i> U.S. Senate, 90th Congress, 2nd Session, Washington, D.C., 1968. Part 1, pp. 1-444; Part 2, pp. 445-992; Part 3, pp. 993-1410. |
| <i>East-West Trade House Hearings, 1968</i> | <i>East-West Trade: Hearings Before the Subcommittee on Europe of the Committee on Foreign Affairs.</i> U.S. House of Representatives, 90th Congress, 2nd Session, Washington, D.C., 1968. |
| <i>Ribicoff, 1971</i> | <i>The Role of the United States in East-West Trade.</i> Report by Senator Abraham Ribicoff to the Committee on Finance. U.S. Senate, 92nd Congress, 1st Session, Washington, D.C., 1971. |
| <i>East-West Trade Senate Hearings, 1972</i> | <i>Authority for Regulation of Exports, 1972. Hearings Before the Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs.</i> U.S. Senate, 92nd Congress, 2nd Session, Washington, D.C., 1972. |
| <i>Hardt and Holliday</i> | John P. Hardt and George D. Holliday, <i>U.S.-Soviet Commercial Relations: The Interplay of Economics, Technology, Transfer, and Diplomacy.</i> Prepared for the Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs. House of Representatives, June 10, 1973. Washington, D.C., 1973. |

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Part One

OUR HOPES

I. THE SETTING

"They do not," the U.S. Ambassador to the Organization for European Cooperation and Development (Philip H. Tresize) noted wistfully in the late sixties, when describing attitudes in Western Europe and Japan toward East-West trade, "look at it primarily . . . in political or moral terms." Rather, "their basic interest is in the commercial possibilities that Eastern Europe [including the Soviet Union] offers to them."¹ What seemed to the Ambassador a state of sobriety from which the United States was far removed is, five years later, a frame of mind that has become normal. When a Secretary of Commerce (Luther Hodges) said to Senators, in the mid-sixties, about export controls toward the East, "I look at this thing a little more practically. I do not look at it as politically as some of my associates and as some of you might. I am a seller basically . . . I believe in selling goods and I believe in giving U.S. firms a chance to sell goods, always excepting the strategic items,"² these were distinctly audacious and mildly wicked words; today conforming to them hardly needs defending. In the early seventies, justifications, while still being furnished, already had a more serene ring. "At the beginning of 1972," declared the Secretary of State (William P. Rogers) (ironically, in reporting on operations under the Battle Act), "it is clearly in our national interest to pursue prospects for expanded peaceful trade with the [People's Republic of China] and East European Communist countries."* Clearly, for "the East European market is a dynamic one," while "the China market may be opening to American goods," and "increased orders from these areas" are good for "American employment and order books."³

Thus, we have finally come to agree not only with our West European and Japanese allies, as described by Ambassador Tresize, but also with the leaders of the Soviet Union, especially the economic leaders, who, according to Senator Jacob Javits speaking in the mid-sixties, "treat us as merchants rather than statesmen; they are constantly telling us, 'Well, here is our shopping list, what do you want to sell? What's the use of talking about principles involved? We can buy anywhere. . . .'"⁴ Harmony has now been restored between the penchants of the two honorable professions mentioned by the Senator. "There comes a point," thus the Secretary of Commerce (Peter G. Peterson) closes an era in the summer of 1972, "at which we must face the fact that business is business."⁵

The factors presumably responsible in large part for this change are obvious: Communist states have come to be credited with less of an urge and capacity to advance, for defensive or offensive purposes, than had been the case before; their cohesion has declined or turned into enmity; the economic growth rate of the Soviet Union has fallen; the capacity of U.S. or U.S.-induced economic warfare to significantly affect Communist military postures has come to appear limited, both as to our direct impact on our potential opponent and as to our capacity to make our allies follow our lead; our balance-of-payments difficulties have made us more interested in any partner toward whom there is a chance of developing a surplus, and have therefore enabled potential exporters to Communists to believe and argue that what is good for them is even better for the nation; and the energy "crisis" has for the first time made Communist resources appear as American assets.⁶

It might be argued that a paper about American beliefs on East-West trade

* When Secretary Rogers talks about "peaceful trade," what is evoked may be not only the harmless, "non-strategic" character of the objects exported (see Sec. II), but also the benign effect of such exports (see Sec. III).

should end here. I choose rather to begin it at this point, not because what follows is more important than what precedes—the opposite is surely the case—but because economic relations with communists retain characteristics (differences in organization apart) that diverge from those of exchanges, say, with the Swedes. “Implicit in this document,” thus Ambassador Marshall Green explains the Shanghai Communiqué, “is the thought that trade between our two countries has more than . . . economic significance.”⁷ While prior to the early seventies the dominant belief was that trade with communists isn’t just trade, it’s bad, the prevailing belief now is that, while still not just trade, it’s good. The “it’s just trade” stance exemplified at the opening of this section was largely a theme by which the earlier view could be questioned before the more recent theme became more securely implanted.

At this point, let me recall the several phases, in our past, of non-“commercial” reactions toward business with communists:

Phase 1 (High cold war): As soon as a transaction would procure economic gain to communists—and which would not?—one should eschew it.

Phase 2 (Low cold war): If *our* economic gain were to exceed *theirs*, we may engage in a transaction with them. “If their economy is strengthened,” observes Secretary of Agriculture Orville Freeman about the sale of wheat to the Soviets in 1964, “the position of the United States is strengthened even more.” Again, “the criteria [sic] we seek to apply . . . is, does it benefit us as much [as] or more than it does them?”⁸

Phase 3 (Low detente): Never mind how small our economic gain and how large theirs; as soon as there *is* political gain—but determined by whom?—from a transaction, it should be undertaken. “Our commercial stake in . . . [East-West] trade,” observes the report of the Special Committee on U.S. Trade Relations with East European Countries and the Soviet Union (“Miller Report”), in the mid-sixties, is very small and “dwarfed by political considerations.”⁹ “As the main attraction of . . . East-West trade for the United States,” Senator Javits concurs in any early expression of this view, “is . . . political . . . , we can afford to stretch a point or two on the materials involved . . . on terms and on other things.” “After all, in economic terms it does not mean a great deal to us either way.”¹⁰ To Senator J. William Fulbright, too, “this trade should be regarded as merely one of the elements in trying to improve the political climate.”¹¹

Phase 4 (High détente): Never mind how large (up to a limit left undetermined) our economic loss and how big their economic gain, as long as there is a *political* gain—or an avoidance of political loss, which might be substantial—the transaction should be undertaken. Observing that in the economic transactions between the United States and the Soviet Union envisaged by their leaders in Washington in the early spring of 1973 “[Moscow’s] benefits are tangible and immediate, ours on the whole . . . intangible and remote,” James Reston shows how misleading such a narrow count would be: “[a] frustrated Soviet Union with enough atomic weapons to blow up the world is not a very happy prospect.” Hence, “even an unequal deal, if it builds confidence,* is better than that.”¹²

Phase 5 (Normalcy achieved): Never mind our or their political gains or their economic gains; as soon as there is economic gain for us we should do it—and the greater their economic gain, the greater the future political gain for us. (As noted above, we tend here to be going beyond normalcy with regard to our opponent-to-become-partner.) If Abram Bergson’s estimate that “within limits, the Russians probably have more to gain economically than the West from an expansion of trade”¹³ was probably, when that judgment was made in the mid-sixties, felt even

* Presumably, synonymous with “reduces frustration in the Politburo.”

by proponents of such an expansion as a difficult aspect of what they advocated, that reaction has since weakened. The great advantage in "international competition . . . shifting from the military and political arenas to the economic," President Nixon points out early in 1973, is precisely that "in economic competition every participant can win—there need be no losers."¹⁴ Thus, ex-Ambassador to Moscow Jacob D. Beam does not have to be understood as opposing current policy when he points out that "it would take [the Soviets] . . . a very long time to develop resources, such as their oil and gas, without *help* from the United States, Japan, or Western Europe."¹⁵

Notes

1. East-West Trade Senate Hearings, 1968, p. 45.
2. East-West Trade Senate Hearings, 1964, p. 67.
3. May 1, 1972, Department of State Publication 8641, p. 4.
4. East-West Trade Senate Hearings, 1965, p. 4.
5. *U.S.-Soviet Commercial Relationships in a New Era*, August 1972.
6. "The Asset We Have in Soviet Oil," *The New York Times*, March 4, 1973.
7. Department of State Publication 8687, December 1972.
8. East-West Trade Senate Hearings, 1964, pp. 117, 137.
9. East-West Trade Senate Hearings, 1968, p. 804. The Miller Report is reprinted in its entirety Hearings, pp. 793-818. The Committee was chaired by J. Irvin Miller of Cummins Engine Co.
10. East-West Trade Senate Hearings, 1965, p. 3.
11. *Ibid.*, p. 17.
12. *The New York Times*, June 22, 1973.
13. Views on East-West Trade, 1964, p. 224.
14. *The President's Economic Report to the Congress*, Department of State Bulletin, February 26, 1973.
15. *U.S. News and World Report*, May 28, 1973; emphasis added.

II. THE IMPACT ON COMMUNIST MILITARY POTENTIAL

In this section, I shall present a number of possibilities concerning the impact that economic relations with the West may have upon Soviet military potential. I stop far short, at this point, of advancing which of these possibilities was realized to what extent during which period—although I shall have some observations on that. Further research is needed here.

During the quarter of a century when our economic relations with communists were heavily hedged with restrictions, the most far-reaching point made by those who advocated normalization was that selling the communists “non-strategic” goods was a way of making sure that foreign exchange or gold in their hands would not be used for military purchases. If “they couldn’t have bought the wheat,” Secretary C. Douglas Dillon explained about Moscow in 1964, “they would have used that money for military purposes.” Hence, “it is better for them to . . . buy [wheat] . . . from us.”¹ Indeed, “it is probably . . . a good sign that they preferred to use their gold and their exchange reserves to buy wheat rather than devote them to armaments.” But as the economic analysis here may not be as good as that “sign”—why should Moscow be compelled to buy right away, and to choose only between guns and bread?—the point, tempting though it may be, was rarely made.

More popular was the easy contention that non-strategic goods could not, by the very meaning of that adjective, serve *directly* to enhance their recipients’ military posture. When asked whether the Kama River truck plant to which U.S. firms are furnishing equipment could enable Russia to make more military trucks, Secretary Peterson explained, as late as in the summer of 1972, that “the usage of this . . . plant will be for peaceful purposes.”² Slowly, however, the elementary point of economics about the fungibility of factors of production through time has left its mark. Any exchange—and particularly one involving high Western technology—would leave the communist state with resources changed in such a way that a given increment of military goods could subsequently be produced with a smaller loss to the non-military sector. “A higher-yielding strain of wheat,” Jack Hirshleifer notes in a private communication, “may permit the Soviet Union to shift labor from agriculture to war industry, or even to the armed forces,” as may American grain exports at prices below what the Soviets would have had to pay to other suppliers. “To permit wheat and forbid machine tools,” C. P. Kindleberger observes, “makes no sense when the potential adversary can and has the time to reallocate his resources from wheat to machine tools.”³ “Making our peaceful technology available would,” Secretary Freeman explains, “have the effect of releasing their scientists, engineers and technicians for work on . . . perhaps less peaceful projects.”⁴ But how are *any* East-West exchanges then to be justified? “It soon became clear to us,” a hapless would-be exporter recalls about his dealings with agencies of export-control, that “if we overcame the argument about making available products of advanced technology,” it was only to be “then confronted with the argument that by selling such products . . . we would free . . . their scientists and engineering . . . personnel to work on more advanced products.” But by this logic no trade would be possible.⁵

To this it might be observed that, as economists have increasingly noted in recent decades, in the real world fungibility of resources is limited by bureaucratic rigidities. The Soviet military may get just so many rubles to spend at home and abroad, rubles whose efficiency the import of foreign technology may enhance.

One way out was to believe that the dynamic impact on the East from Western

economic denial would be even more favorable to the Soviet Union than the static effect of non-denial. According to Joseph Berliner in the mid-sixties, "the . . . unsettling appearance of Soviet aluminum exports on the London market a few years ago was in part the consequence of our strategic controls against aluminum export to the Soviet bloc"; for "under Soviet influence Poland created an entirely new aluminum industry which eventually produced an export surplus for the bloc."⁶ In the later sixties George Ball had come to believe that he had been wrong several years earlier, when the Soviets wanted to buy some wide-diameter pipe from Western Europe for the pipeline they were building into Eastern Germany. The U.S. Government "made a very great point" about denying that pipe to them and "exercised a great persuasion" on its Western European allies. That persuasion was successful. As a result, the Soviets built a pipe mill to produce wide-diameter pipe; our interference had merely induced greater independence of the West on their part.⁷ In Kindleberger's general formulation, in case of a denial of trade, "the loss from less efficient allocation of resources . . . may be offset by . . . advantages in undertaking the production of new goods"; and "if the most probable time of military conflict is remote, the static benefit [to the one who denies trade] may well be less than the dynamic loss."⁸

Another way to oppose a denial of trade, keeping in mind its impact on Eastern military potential, was to maintain that in a communist state the military budget has absolute priority—that is, that it attains at any given time the level desired, regardless of how little is left over, as suggested by the apparently weak relation between Soviet GNP and Soviet defense expenditures.⁹ Thus, a company which, between 1958 and 1963, built two complete chemical plants in the Soviet Union for processing man-made fibers adopted a premise that it "considered realistic," to the effect that the Soviet Union (and other communist countries) have armament and related industries receiving top priority. That is, military demands are satisfied whenever necessary at the expense of civilian industries. Thus, the export of trucks to a communist country will not, directly or indirectly, enhance its military posture; for "should trucks be required for the communist war potential, these countries will see to it that they will produce a significant number of trucks for the purpose." How? "A corresponding portion of industrial capacity and output would simply be taken away from consumer goods industries."¹⁰ Ambassador Tresize agrees even with regard to computers: "I don't think that the Soviet Union is going to allow itself to be lacking in capacity for advanced computers in . . . defense use." Rather, "they will produce those themselves, and produce them adequately."¹¹ In short, in the words of the Miller Committee of the spring of 1965, as the USSR accords overriding priority to military expenditures, "any change in total resource availability in the USSR through trade would . . . affect its civilian economy, not its military budget."¹² That this may be true for one time-frame and not for another is not considered.

However, just as elementary economic analysis weakens the argument for the fungibility of factors of production, so evolving perceptions of Soviet domestic politics make the affirmation just sketched less certain. Non-military producers/consumers are now by some (though by no means by all) Western analysts believed to be not without influence on the allocation of resources. If this were the case, Moscow, receiving butter from abroad, might divert fewer (or no) domestic resources from guns to butter while still achieving its objective of an increase in the supply of the latter to consumers pressing for more.

But what if an increased production of consumer goods, particularly durables, made possible by transactions with the West, were to create a demand for many *more* such goods, which could only be produced at the expense of military goods?

It is often implied that communist importers of a central item of a consumption

system overlook how many other elements the system includes. Contending that "even if the United States could prevent the Soviet Union from obtaining a modern automobile plant . . . why should we wish to?", George Ball observes that "if the Soviet Union is *precipitated* [by Western imports] into the automobile age . . . it will have to devote* a growing share of its . . . resources to creating . . . highways and filling stations and borscht bars and . . . restrooms . . . with a smaller . . . allocation of resources for . . . weapons."¹³ In fact, "any trade originating out of the United States goes to enhance the consumer economy on the part of the Russians."¹⁴

In addition, the appetite of Eastern publics will be whetted by the increment of consumers' goods which their authorities throw to them. "Once the Soviet people begin to think of the automobile as . . . within their grasp, they will," George Ball predicts, "insist with increasing vigor on an expanding supply of consumer goods."¹⁵ Hence, trade is precious, for it provides us, in the words of the Miller Report, "with [an] . . . instrument to encourage . . . the trend toward greater concern for consumer needs in . . . Communist countries."¹⁶ "If we managed to whet the appetite of the people [in communist countries] to . . . demand more cars, better housing, washing machines, television, radios, etc.," James Harvey, a Representative, conjectures, the military emphasis would be lessened.¹⁷ That the consequence is plausible encourages us to believe that it is within our power to make the premise become true.†

Thus, the export of high technology to the Soviet Union would seem to put us into a potentially weaker relative military position, in view of the fungibility of production factors, in an epoch where Moscow may be under *some* pressure from consumers. But it would seem to be militarily favorable to us if Soviet leaders become disposed to yield to desires of consumers which we have *reinforced*—that is, if we succeed, in the words of congressional researchers, in offering effective "encouragement to the Soviet Union to reorder priorities between military and civilian programs."¹⁸ In this inconclusive situation, proponents of East-West exchanges may find reassurance in the fact that the modest magnitudes involved limit the risks. "Since the Soviet Union's trade is only 3 percent of its national income . . . and trade with the West only a small fraction of that," Kindleberger notes, "our capacity to . . . slow the growth‡ in [Soviet national income is not large]."¹⁹ Might not our impact on communist intentions rather than capabilities be more substantial?*

* Presumably without having foreseen this necessity, a point not often made explicit in the argument.

† Those who make the point in this paragraph—that if Eastern consumers receive more as a consequence of economic relations with the West, they will compel their rulers to grant them yet more at the expense of the military budget—may be the same as those who objected to "starving" Eastern populations so as to induce revolt, observing that "totalitarian" regimes may be little vulnerable to such a process. On similar grounds one may guess that consumers in the East find it difficult to "insist with vigor" on more satisfactions. And if their taste for more appears destined to be gratified only very slowly, while pressure on behalf of this taste may seem both risky and ineffective, it is itself likely to lose conscious urgency. There may then be no "insatiability."

‡ Or to accelerate it?

** One may feel discouraged that we have not, after so many failures, been discouraged from encouraging ruling groups to change pretty basic tastes, which are apt to be fairly sticky. If, in the case at hand, these tastes were to remain unchanged, the opposite result may take place.

Notes

1. East-West Trade Senate Hearings, 1964, p. 217.
2. *U.S. News and World Report*, September 4, 1972, p. 44.
3. Views on East-West Trade, 1964, p. 269.
4. East-West Trade Senate Hearings, 1964, p. 116.
5. Views on East-West Trade, 1964, p. 115.
6. Views on East-West Trade, 1964, p. 219.
7. East-West Trade Senate Hearings, 1968, p. 36.
8. Views on East-West Trade, 1964, pp. 268-269.
9. From work at Rand by John Despres and Phoebus Dhrymes on tripartite arms interactions. The People's Republic of China offers counterevidence of such a relation.
10. Views on East-West Trade, 1964, pp. 67-68.
11. East-West Trade Senate Hearings, 1968, p. 78.
12. East-West Trade Senate Hearings, 1968, p. 805.
13. East-West Trade Senate Hearings, 1968, p. 31; emphasis added.
14. J. Patrick Kittler, *ibid.*, p. 423.
15. East-West Trade Senate Hearings, 1968, p. 31.
16. East-West Trade Senate Hearings, 1968, p. 804.
17. December 28, 1966; cited by S. F. Clabough and E. J. Feulner, Jr., *Trading with the Communists*, Washington, D.C., 1968, p. 20.
18. Hardt and Holliday, p. 73.
19. *Views on East-West Trade*, 1964, p. 269.

III. THE IMPACT ON COMMUNIST INTENTIONS TOWARD THE WEST*

"That the transfer of a technology will strengthen the economy of a potential enemy," the Committee for Economic Development explains in 1972, "is not a sufficient reason to deny the transfer"; suppose "the gain to us is a more open and less hostile relationship."¹ Less hostile, it is perhaps conveyed, because more open. Many indeed are the ways, in current belief, in which "opening," "communications," "contacts" operate to reduce hostility; and close is the relation between business and contacts.

"People who do business together," one exporter observes, "have an opportunity for . . . contacts of a different sort than official or tourist contacts."² The implication is, different and more productive of desirable changes in oneself and one's counterparts. Trade, notes the Miller Report, "involves contact of peoples and exchange of ideas and customs as well as of goods and services."³

Not only is trade "an important medium of communication between countries,"⁴ sometimes the transaction performed seems to be a mere occasion for the contact to be established. While President Johnson found it useful, according to Assistant Secretary of Commerce Lawrence C. McQuade, "to assess Premier Kosygin and his policies in the . . . marathon sessions at Glassboro," trade between U.S. businessmen and Eastern Europeans furnishes "another useful communication."⁵

Trade produces an "engagement" that is "intimate"—in the words with which President Johnson introduced the East-West Trade Relations Act of 1966.⁶ Never mind that in the experience of one trader "one cannot establish [in Moscow] the sort of personal contact with Soviet officials or buyers—even after many days or weeks of daily 9-to-4 negotiations—that we consider normal"; and that "despite the atmosphere of camaraderie" which prevails at official dinners "the distance is never bridged."⁷ It just takes them longer to melt. Still, the programs now established with "our Soviet friends," observes Willis C. Armstrong, the Assistant Secretary of State for Economic and Business Affairs, in the fall of 1972, are leading us into "practical forms of intimate cooperation with the Soviet Union."⁸ "The process of trade development," comments the Secretary of the Treasury George P. Shultz, "is also the process of a better acquaintance of our countries."⁹

For business contacts will produce mutual understanding, which means knowledge that either makes the other look less bad or makes one more accepting of his regrettable traits. Thus, if "in this intimate engagement men . . . will in time be

* Throughout this section the reader will find examples of our apparently undiminished habit of talking publicly about the devices by which we expect to make *them* do something—without feeling coerced—that is at present repugnant to them. We are seemingly unaware of the possibility (or unconcerned with it) that disclosing our ulterior intent to those whose dispositions we want to affect may reduce our (perhaps limited) chances of succeeding. For instance, *The New York Times* presents a study on East-West economic relations prepared by congressional researchers (Hardt and Holliday) for Congress as ascribing to the U.S. Government, in its new economic closeness with the Moscow Politburo, the objective of moving that body to "allow foreign companies to have more influence on its [the Soviet Union's] decisionmaking"—from which (the paper is now no more paraphrasing but rather quoting), "significant long-run benefits of a predominantly political nature might accrue to the United States." (Bernard Gwertzman writing from Washington, June 9, 1973 in the issue of June 10.)

It is for further analysis to ascertain what is distinctive with regard to communist states in the American beliefs set forth below. Surely it is much less than everything, as shown in IBM's motto "World peace through world trade." It remains significant, however, that beliefs evolved in relation to capitalist systems should be so readily applied to socialist ones.

altered by the engagement itself,"¹⁰ it somehow appears overwhelmingly likely that the change will make for less conflict. When new channels of communication are opened which "help reduce the danger of either side misinterpreting the intentions of the other,"¹¹ it is taken for granted that correct perceptions are apt to be more welcome than the erroneous ones they replace.

Even if this is not the case, the chances of settling conflicts may still be enhanced. "The acquisition of negotiating skills and techniques," observes Ambassador Green about trade negotiations by private American firms, "can add to one nation's store of information about the other," which will in turn "ease the way for later negotiations on . . . political relations."¹²

"Understanding" thus being assuredly conducive to harmony, one may claim that one's particular business produces even more of it than other businesses. "It is Control Data Corporation's . . . position," discloses one of its executives, recalling the distinct and distinguished character of its clients, "that computer trade is more constructive than trade in any other commodity in obtaining better mutual understandings among the most influential people of the world."¹³

First of all, surely communists will dislike Americans less as they come to know them better; the resented American is the little known one. Wherefore, we should, in the words of an exporter, "promote maximum exposure of nationals of the communist countries to Americans and the American way of life."¹⁴ After all, as James Reston recalls while Brezhnev is with us, "fourteen years [ago] . . . Khrushchev came and went away . . . with a few doubts about his . . . anti-American prejudices"; "relations between the two countries have been improving ever since."¹⁵

Americans, in turn, are apt to become better disposed toward communists as they get better acquainted with them. Even in the worst case, conjectures Under Secretary of the Treasury Robert Roosa, even if after generations they will not "relax . . . [their] taut secretiveness or . . . belligerent evasiveness," perhaps—on condition, I take it, that there be a high level of contacts— "we will simply become accustomed to all this," nay, "see through more readily to the heart that beats beneath a stern visage."¹⁶ A heart is never ferocious.

In short, business promotes mutual esteem between strange partners. "After all," observes the president of Swindell-Dressler, which is building part of the Kama River truck plant, "economic cooperation is not simply the exchange of items of material value"; it is "an important means for . . . the development of respect for each other."¹⁷

The more personal our relationship with former adversaries becomes, the more likely we are to keep agreements that we are making with them, or even to make more of them. "The agreements that we have signed," notes the President, saying farewell to Brezhnev in San Clemente, "take on added meaning because of the personal relationship that we developed a year ago"; in fact, it is "that [that] we have built on this year."¹⁸

Beyond understanding what is different in the other, contact will make one recognize that he is not that different at all; that, as one executive puts it, "no matter what the ideology under which people live, we are all endowed with a good many of the same human qualities."¹⁹ There is little chance that we will stress the small difference as we see more of each other. In addition, contact itself will make us *less* different than we were at the start, particularly by causing others to adopt traits of our own.*

* When this contention is made, it is usually not acknowledged that such perspectives—particularly when publicly proclaimed by us as forecasts and objectives—are apt in the first place to induce intense and protracted countermeasures on the part of the Politburo.

True enough, according to Senator Abraham Ribicoff, "it would be unrealistic to expect that through an expansion of American economic ties we can . . . change the basic political orientation of the communist countries in Eastern Europe,"²⁰ yet the very need to oppose this expectation may indicate its strength. When an executive affirms about the "selling" of democracy that "one of the most potent methods of accomplishing the job is through the establishment of good business relationships,"²¹ he is choosing a crude formulation to which many would not assent who might yet accept more polished expressions of the same belief. When Senator Fulbright surmises that "[the] question of the better way to organize a society is still being examined [by communists] and . . . they might be subject to persuasion if we demonstrate clearly enough that ours is the superior way," and that "their ideology is [not] so ingrained . . . that it cannot be changed," the president of Caterpillar with whom the Senator is conversing concurs that "their ideology is so shallow and their practices so wrong that it [sic] cannot stand the test of time" once "the comparison [with what we are doing is] brought out . . . directly and vividly," as it would be through a higher level of business transacted. "They will never know how bad they are until they know how good we are," which they *will* know if they see a lot of us.²² While supplying equipment for the Kama River truck plant, an American executive foresees that we "shall have to work together with Soviet specialists," and, in doing so, shall "easily find a common language"²³—and how likely is it that the emergence of a common language on ways of life will not follow the emergence of a common language based on common work?

On such and less exalted grounds, American exporters yearn for a higher volume of transactions with communists, to be accompanied by deeper penetration into their domain. "Contacts made through expanded trade," imagines one of them in the mid-sixties, transforming an ambitious wish into an assured consequence, "create a new . . . dimension in depth in our efforts to penetrate areas otherwise closed to us."²⁴

The more important the penetration one envisages, the more one may beg the question of how it would come about. Asking us to consider a future with "the presence of many American citizens in the Soviet Union" who would, to boot, enjoy "some decisionmaking power" and work under "a wider exchange of ideas," Hardt and Holliday confidently predict that *such* an American presence "may in the long run* contribute to a moderation of the Soviet political control system and command economy."²⁵ In other words, "if the Soviet Union should . . . permit more foreign decisionmaking involvement in domestic cooperative ventures," then, to be sure, "significant long-run benefits of a predominantly political nature might accrue to the United States."²⁶ The reader, if not the authors, is apt to replace what is obvious when conditional by what is sensational, and pleasing, when predictive.

Noting in the mid-sixties that "Poland recently gave three large . . . enterprises the right to conclude foreign trade contracts . . . without going through . . . the Ministry of Foreign Trade," an expert (law professor Harold J. Berman) suggests that "our Government, in negotiating for expanded trade with the communist countries, should press for such decentralization."²⁷ The Soviet bloc countries, Senator Javits declares, "should agree to allow the free world businessman direct access to the particular enterprise he hopes to serve."²⁸ Such demands implicitly deny the hypothesis (to which I would subscribe) that for a ruling Politburo, short of situations of duress such as those in which Moscow found itself with regard to Berlin in the late winter of 1918 and then again in the late spring of 1941, a decision to decentralize must come from within rather than without, and can only be impeded by lower-level pressure that is apt to magnify its estimated cost.

* Why not in the middle run?

To make more acceptable the demand that a communist state modify what its leaders regard as part of the very structure of its society, one may present the change in question—wrongly—as a necessary condition of economic relations between West and East. “Obviously,” explains Senator Javits (broaching a point that precisely lacks that quality), “if you are going to do business in the communist bloc countries, you have to be able to move around.”²⁹

However, when in 1972-1973 the Soviets envisage sharp increases in the level of Soviet-American exchanges, they seem careful to limit the number of contacts this should involve and to obscure that limitation by words with an opposite flavor, such as “joint venture.” Asked, upon his return from leading a trade mission to Soviet Russia, what he accomplished, Secretary Maurice Stans first stressed that “it was an exploration . . . covering . . . opportunities for joint ventures of various types.” But when pressed for his meaning, he observed that “joint venture is probably not the best name for it”; “what the Russians are talking about is . . . [that] American companies would provide capital, equipment and technology for the exploration and development of resources.”³⁰ When Lenin in the early twenties told Armand Hammer that Russia needed American engineers,³¹ he meant it; and they came in the twenties and thirties. When Kosygin in the summer of 1971 told the American delegation to a Dartmouth conference with regard to phosphates, tin, diamonds, titanium (enormous amounts), and manganese that “all of these could be jointly exploited by Soviet and U.S. technicians working together,”³² there is much distance between these words and the actual facts of contacts in the new “higher level” of American-Soviet business. Moscow seems to prefer “turnkey” purchases of Western factories or factory components, with short-term sojourns of Soviet technicians in the West for training in the handling of the equipment bought, and an equally limited presence of Western personnel in the Soviet Union to install it. Beyond this, Moscow allows high-level experts in small numbers, again at circumscribed times and places, to be members of joint East-West teams, say in research on the environment. “We . . . want,” Brezhnev announces on American television, “Americans to visualize our way of life . . . as completely . . . as possible.”³³ Ten days before, he had permitted American journalists to sit with him around the table where, he disclosed, the Politburo meets every Thursday at 4:00 p.m., going on as late as 9:00; he had even conducted a tour of his private office and adjoining rooms.³⁴ But a year ago things were apparently different for the most important American engineering project in the Soviet Union: “Swindell [-Dressler]’s engineers,” according to *Fortune*, “were not permitted to visit the Kama [truck plant] site”; “[their] designs . . . [had to be] based . . . on Soviet . . . data.”³⁵ Soviet citizens furnishing enough assurances to be sent abroad may, on the other hand, be instructed to satisfy slowly perceived local tastes. At the request of the Russians, the Secretary of the Seattle Economic Development Council reports about “Unimart’72,” “we arranged numerous activities so that they could become better acquainted with . . . business leaders,” such activities including even individual visits to American homes.³⁶ The Soviets may be more agreeable to creating organizations for contacts than to creating the contacts themselves. On the occasion of Brezhnev’s visit to the United States it was decided to create a U.S.-Soviet chamber of commerce, but also to freeze for years the existing modest level of cultural exchanges.

American concern with such perhaps insuperable limitations seems to have been replaced, during the year since the President’s visit to Moscow, by hopes for creating in that city an enclave within which the American businessman could imagine being at home—as if the presence of such an island could powerfully radiate into an environment sharply differing from it, assimilating the East to the West; as if business results would be notably increased if one’s base of operations were a

proper office suite rather than hotel rooms;* as if the openness of a display room would breach whatever limits of access to foreign trade the Politburo chooses to institute; as if the ease of communicating with the home office could reduce the barriers to contact with one's Soviet counterparts; and as if the presence in one's Moscow office of authorized Soviet employees involved more of a reaching out into the Soviet hinterland than of a penetrating of Soviet intelligence services into one's own domain, aggravating the previous asymmetry between what we know about them and what they know about us.

Business reduces communist hostility, it is believed, not only through contacts but also through economic relations, which are held to involve *less conflict* than many other types of situations. This more peaceable atmosphere is apt to spread from business to, say, politics.† "Creating institutions and practices . . . in those areas which we can divorce, to some extent at least, from our political conflicts, will," Harold Berman predicts, "help to create a foundation . . . on which you could then possibly build . . . peace."³⁷ Given that an objective of our policy is "to change the world view of communist nations from one of conflicting forces . . . to one of competing forces," an especially important domain through which to accomplish this publicly announced enterprise of conversion is, according to William J. Casey, the Under Secretary of State for Economic Affairs, the economic area. It is there "where interests are most sharply perceived as being mutually beneficial by many communist leaders at this point in time."³⁸

Despite counterevidence, the belief persists that, in the words of an executive, "people who trade together are less likely to fight each other."³⁹ Even communist countries may, in the words of another executive, "find it increasingly difficult to maintain an attitude of hostility or intransigence in a non-antagonistic world"⁴⁰—that is, one with a high level of business relations between potential enemies. "My experience has been around the world," explains the chairman of First National's board arriving in Moscow in the spring of 1973 to inaugurate his bank's local office, "that . . . the more you trade . . . the better your relationship becomes"⁴¹—on which point, recent developments between the United States and Western Europe, as well as Japan, furnish an ironic commentary.

For instance, an expansion of trade, the Miller Report surmises, "would require from the Communists a growing *commitment* to international rules"⁴²—not merely conformity to them in conduct, but an attachment that would then be apt to spread beyond the confines of particular rules to other components of the status quo. "To abide by generally accepted international practices," the same Report notes, is a

* But did the Soviet buyers of wheat in 1972 not do rather well out of the New York Hilton and the Washington Madison?

† The belief in the harmonious essence of economic relations between capitalist and communist states has persisted in the early seventies, when it has been evident to all that the major conflicts between capitalist states concern precisely economic issues. This has been possible in part because, in the relations between East and West, acerbities concerning, say, "dumping" have been dwarfed by those concerning political issues. It is rather rare for bad feelings about East-West economic relations to be made public; when they are, they may appear inconsequential. Once Farbwerke Hoechst, and not Chemtex (New York) with DuPont behind it, had been awarded the order for a plant by the Soviets, a high Soviet official, according to *Business Week*, "bitterly" explained that he had preferred the U.S. firm: "But in the final stages of the negotiations . . . we wanted to deal directly with DuPont . . . [and then] were informed that we had to deal through Chemtex": "This we just couldn't accept" (June 16, 1973).

What is so interesting about this harsh phrase is that in the context of a turnkey deal it hardly portends violence, as it might in a political matter. What is, correspondingly, so reassuring about the recent increase in economic conflicts within the West is that it has not been (nor was ever feared to be) accompanied by a rise in the expectation of war, despite (or because of) all the toughness and fighting exercised. The belief that East and West will be in harmony on issues causing quarrels in the West may merely express the desire that capitalists and communists transfer their disagreements to a plane from which recourse to weapons now appears excluded.

matter "intimately related to a nation's world outlook," one "evolutionary in nature," which "would move these countries in directions favorable to our national security."⁴³ If there is, Anthony M. Solomon details, "observance [by the Soviet Union in East-West trade] of rules of arbitration, protection of industrial property and copyrights, limitations on freedom to engage in disruptive trade practices," might they not over the longer term "have a cumulative . . . effect in reducing the thrust of Soviet policy?"⁴⁴ "If we can get these governments to accept the practices of the [international] market place," observes Representative Paul Findley, while "this doesn't mean they are going to automatically modify their . . . internal institutions," yet "maybe that will come later"⁴⁵—one surmises, in a decade or two at most. The endurance of communist cadres is not, it is implied, higher than that, even under the impact of marginal stimuli such as those from foreign economic relations (stimuli whose marginal character the same advocates of normalization are wont to point out when they limit the risks of what they propose by the smallness of the Eastern GNP fractions involved).

The mere fact of negotiating on matters where conflict is low will enhance the probability of agreement on issues where it is high. As "major political issues are not likely to enter into . . . discussions [on trade between private American firms and communist states], it should be possible," Ambassador Marshall Green observes, "to set a positive tone for future discussion of more troublesome matters"⁴⁶—implying, dubiously, a high role for "tone" in determining the conduct of communist negotiators.

When nothing can be done about a conflict-prone area such as politics, it is all the more important to exhaust all possibilities of relations in a non-conflict domain such as economics. Trade, observes the Miller Report, "is one of the few channels available to us for constructive contacts with nations with whom we find frequent hostility [sic]."⁴⁷ Since, Ambassador Green explains, "as the [Shanghai] communique made clear, obstacles to improved relations remain, areas of common interest for the time being must be sought in less politically charged fields. *Hence*, trade and exchanges."⁴⁸ Trade is also a countermeasure against political conflict getting out of control. In a time when pressures increase on one front,* notes Alexander Trowbridge, "we need pressure relief valves on other fronts . . . [such as] trade."[†] ⁴⁹

In fact, as the level of economic transactions between two states in conflict rises, their relations may be alleged to "improve," whether through the causes or effects of such dealings or by virtue of what we have decided to term "improved relations between states in conflict." In any case, as Ambassador Green points out, "if the public eye is drawn to a succession of businessmen . . . and technicians going back and forth between the United States and the PRC, sometimes concluding sales, sometimes not," then "this very motion will testify to . . . an improved relationship"—which is apt to set up a virtuous circle and help create a climate in which cooperation in other areas may become possible.⁵⁰

For these effects, the amount of favorable attention accorded to transactions is as important as their actual level. "Even if the volume of trade remained . . . microscopic," Ambassador Green explains about the (admittedly extreme) case of the People's Republic of China and the United States in the early seventies, "there are advantages . . . from focusing attention on it"⁵¹—benefits overlooked by those who wonder why so little notice is taken of our trade with Luxembourg.

* I.e., Vietnam.

† Why should denials of trade and other conditional measures—that is, offers of expanded economic relations made dependent upon compliance of the other side which falls far short of "capitulation"—increase the intensity of ongoing conflict? See the President's stance toward the Soviet Union in 1972-1973.

When communists exaggerate Western intents to harm them and are disposed to respond in kind, one way to make them see the West as it really is, is to be forthcoming on economic relations.* "A constructive attitude toward trade," observes the Miller Report at the time when we get engaged on the ground in Vietnam, and without bothering to clarify the meaning of "constructive" with regard to trade, "can serve as a counterpart of our . . . determination to convince these countries through our . . . military power that they cannot gain their objectives through aggression." In other words, the United States can use trade to convey its true image and intentions.⁵²

To George Kennan "the extending of normal trading facilities to people is a sort of clearing of the decks, so that you can then begin to discuss other things with them."⁵³ To the Committee for Economic Development "willingness to trade is . . . a sign of amity that helps to dissipate tensions."⁵⁴ For the Battle Act Report of 1967, "the increase of peaceful trade would be one most important indication to the communist world that the United States really wants normal relations."⁵⁵

Another channel through which business with the West should reduce communists' hostility toward it is by fostering *convergence* in structure. The greater the orientation toward export to the West of the goods of a communist state, the more intense, it may be believed, the pressure to come closer to Western economic practices.† For a country of Eastern Europe to develop an economy that can compete in the Western market, Senator Walter Mondale observes, "some pretty profound things have to happen [in the economy]" which will perhaps also "profoundly affect . . . political control and all of the rest."⁵⁶ According to the Miller Report, the European communist countries would have "to learn new marketing methods, to build dealer and service organizations abroad."⁵⁷ For Ambassador Charles Bohlen "the domestic situation in a [communist] country tends to respond to trade by producing more in relation to demand, by having its prices bear some relation to costs . . .," which in turn "tends to . . . weaken the . . . control of the communist party."⁵⁸ According to Alec Nove writing in 1966, "in the smaller [Eastern European] countries gains in foreign trade are no by-product, but the chief object of reform."⁵⁹

The more a communist state is involved economically with the West, one may be confident, the less will it be disposed to initiate or risk conflict that is apt to reduce the level of economic transactions with what will have become an opponent. Let there be, as Secretary Dean Rusk put it in 1964 (early for this theme), a *stake*, "from their [the Soviet leaders'] point of view, in trying to work out . . . explosive ques-

* If the East attributes rollback intents, or worse, to the West, offers on trade might be viewed as deceptive maneuvers covering such plans rather than as signs of an "amity" still difficult for communist leaders to conceive of in any circumstances. On the other hand, if "to make them see the West as it really is" is to convince them of our resolve toward what used to be called containment, might not *unconditional* offers of economic advantage, at a time of acute conflict, be viewed as the proffering of a bribe, signifying weakness?

To believe that for communist leaders a clearing of the decks, in the sense of discontinuing presumably offensive behavior (such as discriminations in economic relations), is a necessary condition for "discussing other things" may be to attribute to them a non-instrumental concern with propriety which they might still abhor.

† This may underestimate the capacity and propensity of the East to construct, within the economy, several compartments with notably differing characteristics: e.g., a high-productivity military sector against a lower-productivity civilian one, or a high-consumption elite sector partitioned off from a lower-consumption mass one.

Developments in Eastern Europe have shown (1) that the degree of Party control may sink only little when the degree of decentralization and of market freedom rises somewhat, which is all that did happen; and (2) that when reductions in Party control do occur and bring untoward consequences, a movement (without benefit of the Brezhnev doctrine) in the direction of earlier habits may take place (Yugoslavia since December 1971).

tions," and "some incentives to live in peace could be in the trade field."⁶⁰ Let there be on the part of the communist bloc, recommends an executive, "[an] increasing reliance on us for . . . essential supplies [which] might . . . cause them to hesitate to cut off . . . such supplies through unfriendly acts."⁶¹ (Or might cause them to consent to friendly acts so as to make such supplies available, as President Nixon and Senator Jackson seem to have calculated in 1972-1973.) If the Soviets need to import feed grains so as to increase meat consumption, Peter Flanigan, an assistant to the President, points out in 1972, "that is a reason for them to think twice about upsetting relations if the source of feed grains is the United States."⁶² Again, according to Flanigan, if a "web of vested interests," "a pattern of interwoven mutual interests" relating to economic transactions, is established between Washington and Moscow, this makes it less likely that action will be taken to upset the balance of world peace.⁶³ This mutuality will, it is understood, be asymmetrically advantageous to us, who are more favorable to the status quo than they.

Finally, business with the West speeds Eastern *development*, which in turn, it may be believed, reduces communist *hostility*. (That it surely enhances the *resources* available for expansion, among other possible allocations, is not apt to be considered.) It does so, it is said, because the higher the level of economic development in a communist state, the greater the convergence of its practices with those of the West (the larger its deviation from any given baseline of communist orthodoxy).^{*} The prospect of thoroughgoing economic decentralization within the East European economies is, in Gregory Grossman's estimate, "enhanced by a reduction of pressure on their economic resources . . ."; hence, "the enlargement of their economic relations with . . . the West . . . may hasten the arrival of Socialist market economies in Eastern Europe." In its turn this "would . . . widen the gulf between them and the USSR and facilitate closer ties with the West."⁶⁴ "Economic development and the increasing complexity of life that goes with it," Dwight H. Perkins observed in the later sixties, "will . . . erode many of the . . . ideological components in the Chinese world view."⁶⁵ It is implied that the impact of growth on the East's convergence with the West would be larger, even if that growth were *smooth*, than the effect of the periodic *shortages* to which communist economies seem prone and against which economic relations with the West can ensure them—that economic "assistance" from the West is not, as Hardt and Holliday musingly put it, "a substitute for domestic reform."⁶⁶ Had shortages in basic foods not repeatedly been made up by imports from the West, they might have furnished incentives for changing economic structures. (This possibility is presumably part of an earlier rationale by which the Department of Agriculture opposed "prototype" sales of agricultural machinery to the Soviets which might have eased their "getting out of their farm mess.") Perhaps since the spring of 1972 the Politburo has been attempting to avoid both a "Hungarian" remedy to its farm and industrial mess and a "Polish" reaction to it by what amounts to aid for development from abroad: "The solution for which Brezhnev has . . . opted," Grossman surmises in the late spring of 1973 (in contrast to his earlier view quoted above), "is minimal change at home economically . . . and . . . help from the West."⁶⁷

On the other hand, in abstaining from bailing out an Eastern economy, the West, it may be believed, will forgo making the sort of impression on the East which Secretary of Agriculture Earl Butz seems to have in mind when explaining the great American wheat sale of 1972: "We also wanted to prove to the Russians that we can help supply their farm-product needs even when large."⁶⁸ To foster trade with

^{*} Why should the Party engage in dismantling a command economy to which both interest and faith attach it, if that economy delivers, also due to economic relations with us?

Eastern Europe, an executive conjectured in the mid-sixties, "could help . . . in creating a better understanding of the advantages of our economic system."⁶⁹ That a more vivid experience of the other's advantages will reduce hostility toward him, rather than exacerbate it, goes without saying.

But is the Politburo not confident that trade can be expanded without the risk of foreign "fallout" among the Soviet populace? Well, a Congressmen's study mission to the Soviet Union is confident that the Soviets exaggerate their capacity for control: "Trade expansion of the magnitude envisioned by the Soviet government is," in fact, "likely to be the catalyst for a degree of social and even political liberalization in the Soviet Union."⁷⁰

Eastern development may also reduce hostility to the West by raising the level of education, and hence of information about the West. It is good, Secretary C. Douglas Dillon pointed out, "to encourage any development in the Soviet Union which leads to . . . a greater level of education among the masses . . . and particularly better knowledge of the West."⁷¹ But is there really an inverse relationship between a country's level of education and that of its anti-Americanism, or of its government's disposition to expand?

And then, of course, economic development in the East is held to reduce hostility to the West by virtue of the rise in consumption levels that, it is predicted, will accompany it.* Alexander Dallin notes in the later sixties a "tendency in the Soviet Union . . . to associate improvements in standards of living . . . with an improvement in relations with . . . the West."⁷² To Alexander Eckstein in the same period, "a poor China is more likely to be a destabilizing factor in international politics."⁷³ As "the demands of their [the communist states'] population become ever greater for consumer products," Secretary Dillon foresees, "the possibility of military attempts will decrease."⁷⁴ "Nations are," in one executive's view, "like people—the better housed, the better fed . . . the less apt they are to cause . . . trouble."⁷⁵ And leaders are like followers: "Our help in establishing a consumer economy [in the Soviet Union] should weaken the resolve of the Russian political cadres in their expansionist policies by exposing them to the good life."⁷⁶

As to the people in the East, the higher their consumption level, the more similar their life style to that of Americans—which, it supposedly goes without saying, limits the ability of communist governments to act in fashions hostile to the United States. "One day," Secretary Peterson reminisces about his trip to the Soviet Union in the summer of 1972, "I was talking to an able young man who seemed very exhilarated about something . . . he said he had just received word he was going to get . . . a used car. He started talking how this automobile was going to change his whole way of living. He was planning to take his family and his mother to the Crimea on a vacation," in fact "do all the things we Americans just take for granted." "Let's multiply," the Secretary concludes, "this one car by millions of people and many other products . . . [this] can be good for both them and us."⁷⁷

* Precisely when "exposed to the good life" communist cadres may lean over backward, at first in any case, toward faith and against temptation, possibly taking advantage of perhaps more favorable attitudes toward them on the part of a more contented population.

Notes

1. *A New Trade Policy Toward Communist Countries*, New York, 1972, p. 28.
2. Views on East-West Trade, 1964, p. 20.
3. East-West Trade Senate Hearings, 1968, p. 799. The Miller Report occupies pp. 793-818.
4. Representative Jeffrey Cohelan, East-West Trade Housing Hearings, 1968, p. 43.
5. East-West Trade Senate Hearings, 1968, p. 215.
6. Quoted in East-West Trade Senate Hearings, 1968, p. 21.
7. Views on East-West Trade, 1964, p. 129.
8. November 28, 1972. State Department Bulletin, December 25, 1972.
9. *Novoe Vremia*, 1973, No. 22; FBIS, June 21, 1973, p. G2.
10. The Miller Report, in East-West Trade Senate Hearings, 1968, p. 799.
11. Committee for Economic Development, *A New Trade Policy Toward Communist Countries*, New York, 1972, p. 10.
12. Department of State Bulletin, October 30, 1972, pp. 490-491.
13. East-West Trade Senate Hearings, 1968, p. 150.
14. Views of East-West Trade, 1964, p. 68.
15. *The New York Times*, June 22, 1973.
16. East-West Trade Senate Hearings, 1968, p. 319.
17. Quoted by Soviet journalist Yuri Soltan visiting Pittsburgh, *Literaturnaya Gazeta*, May 23, 1973.
18. June 24, 1973. Reported the following day in *The New York Times*.
19. Views on East-West Trade, 1964, p. 148.
20. Ribicoff, 1971, p. 16.
21. Views on East-West Trade, 1964, p. 97.
22. East-West Trade Senate Hearings, 1965, p. 47.
23. Quoted by Yuri Soltan from Washington on Moscow domestic radio, April 29, 1973. FBIS, May 1, 1973, p. G2.
24. Views on East-West Trade, 1964, p. 21.
25. Hardt and Holliday, p. 73.
26. *Ibid.*, p. 74; emphasis added.
27. East-West Trade Senate Hearings, 1965, p. 132.
28. *Ibid.*, p. 7.
29. *Ibid.*, p. 4.
30. *U.S. News and World Report*, December 20, 1971, p. 56.
31. *Pravda*, November 9, 1972.
32. Interview with Kosygin. U.S. Government Printing Office, Washington, D.C., 1971.
33. June 24, 1973. *The New York Times*, June 25, 1973.
34. *The New York Times*, June 15, 1973.
35. Herbert E. Meyer, May 1972, p. 167.
36. *The American Review of East-West Trade*, November 1972, p. 33.
37. East-West Trade Senate Hearings, 1965, p. 123.
38. Department of State Bulletin, May 21, 1973, p. 639.
39. Views on East-West Trade, 1964, p. 109.
40. *Ibid.*, p. 191.
41. Moscow radio in English, June 17, 1973. FBIS, June 18, p. AA22.

42. East-West Trade Senate Hearings, 1968, p. 799; emphasis added.
43. *Ibid.*, p. 804.
44. Quoted by Nathaniel McKitterick, *East-West Trade*, New York, 1966, p. 36.
45. East-West Trade House Hearings, 1968, p. 14.
46. Department of State Bulletin, October 30, 1972, p. 490.
47. East-West Trade Senate Hearings, 1968, p. 816.
48. U.S. Trade Prospects with the PRC. . . Department of State, December 1972, p. 2; emphasis added.
49. Reprinted in Phillip D. Grub and Karel Holbik, *American-East European Trade*, Washington, D.C., 1969, p. 50.
50. U.S. Trade Prospects with the PRC . . . Department of State, December 1972, p. 2.
51. *Ibid.*
52. East-West Trade Senate Hearings, 1968, pp. 799, 814.
53. East-West Trade Senate Hearings, 1965, p. 166.
54. *A New Trade Policy Toward Communist Countries*, New York, 1972, p. 10.
55. East-West Trade Senate Hearings, 1968, p. 628.
56. East-West Trade Senate Hearings, 1968, p. 124.
57. *Ibid.*, p. 804.
58. East-West Trade House Hearings, 1968, pp. 75-76.
59. Reprinted in Grub and Holbik, *op. cit.*, p. 61.
60. East-West Trade Senate Hearings, 1964, p. 21; emphasis added.
61. Views on East-West Trade, 1964, p. 203.
62. Quoted by Richard S. Frank, *National Journal*, November 25, 1972, p. 1806.
63. Quoted by Victor Zorza, *Chicago Sun-Times*, April 5, 1973.
64. Views on East-West Trade, 1964, pp. 248-249.
65. Quoted by S. J. Clabaugh and E. J. Feulner, Jr., *Trading with the Communists*, Washington, D.C., 1968, pp. 142-143.
66. Hardt and Holliday, p. 24.
67. *The New Republic*, June 16, 1973, p. 16.
68. Quoted by Richard S. Frank, *National Journal*, November 25, 1972, p. 1806.
69. Views on East-West Trade, 1964, p. 70.
70. *Tension and Detente: Congressional Perspectives in Soviet-American Relations*, Washington, D. C., April 1973. 92-154.
71. East-West Trade Senate Hearings, 1964, p. 228.
72. Quoted by Clabaugh and Feulner, *op. cit.*, p. 52.
73. Quoted in *ibid.*, p. 144.
74. East-West Trade Senate Hearings, 1964, p. 227.
75. Views on East-West Trade, 1964, p. 137.
76. J. Patrick Kittler, East-West Trade Senate Hearings, 1968, p. 417.
77. *U.S. News and World Report*, September 4, 1972.

IV. THE IMPACT ON THE COHESION OF COMMUNIST STATES

Trade controls, declared Joseph Berliner with assurance in the mid-sixties, "inhibit our ability to reduce the power of the USSR over . . . other nations."¹ "Giving larger economic opportunities in the West to the smaller communist countries" is, Gregory Grossman then agreed, to "hasten the loosening of the internal ties in the communist world," directly by "[reducing] their economic dependence on the USSR and on each other" and indirectly by the very "strengthening of their economies itself."² "If," Secretary Freeman then pointed out, "in return for exports that may help the economy of a satellite nation, the United States can weaken the ties of that nation with the Soviet Union, it would be a very good bargain."³ Such was the widespread belief prior to the subduing of Czechoslovakia by the Soviet Union (some of it survives with regard to Rumania).

At the most what is needed for economic relations with the West to exercise their power of disintegrating the "bloc," it was then thought, is the minute beginning of divergence between Moscow and a satellite. The West can "insert the incisive chisel of honorable trade into any cracks" within the East.⁴

If not a sufficient condition for a satellite breaking with Moscow, the increase of transactions between that satellite and the West was often affirmed to be a necessary one. "Before they can do so," Senator Mondale explained about satellites breaking away from Moscow, "they must obtain . . . economic independence . . . from the Soviet Union."⁵ "The degree of independence which they [the satellites] can develop will depend very much on . . . whatever economic independence they may have at the time they are making the decision."⁶

Since the summer of 1968 there has been near-silence on this matter, broken only by tautologies such as that "by forging strong economic ties with Eastern European countries we will be lessening their dependence on the Soviet Union."⁷ It may have been recognized that high levels of economic relations with a country under the hegemony of Moscow are neither a sufficient nor a necessary condition for that country ending that relationship with the Soviet Union; while, of course, for a country that *has* moved away from Moscow an expansion of economic opportunities in the West increases the probability that such a stance will endure. After the appearance of Soviet tanks in Prague one may also have sensed that the less publicly said about such prospects, the better for their realization.

* If the *ancien regime* of Novotny in Prague before January 1968 had enlarged economic relations with the West, it might have maintained both its faithfulness to Moscow and a low level of internal freedoms; but it might at the same time have increased its chances of surviving.

At the time they were making the decision to increase their degree of independence from Moscow, the Yugoslavs in 1948, the Poles and Hungarians in 1956, the Rumanians in the early 1960s, and the Czechoslovaks in 1968 had of course not yet "obtained economic independence from the Soviet Union." Had the West, upon their decision, instantly offered to procure them such independence in the shortest feasible order, the following, I surmise, would have happened:

- No major change in Soviet policy toward Yugoslavia after June 28, 1948. While the incentive to invade would have been strengthened, the expectation of American counterintervention would have increased.
- An increased probability of intervention in Poland, in response to the enhanced likelihood (to the Politburo) that the new Gomulka regime would "land at the other shore."
- No change toward Hungary.
- An increased chance of intervention against Rumania (cf. Poland, above).
- Making intervention against Czechoslovakia even surer (for the same reason).

Notes

1. Views on East-West Trade, 1964, p. 220.
2. *Ibid.*, p. 248.
3. East-West Trade Senate Hearings, 1964, pp. 118-119.
4. The president of Caterpillar, East-West Trade Senate Hearings, 1965, p. 36.
5. East-West Trade Senate Hearings, 1968, p. 7.
6. J. Patrick Kittler, East-West Trade Senate Hearings, 1968, p. 416.
7. Ribicoff, 1971, p. 15.

V. THE IMPACT ON THE BALANCE OF LEVERAGE

Because "the value of the total trade of western countries is far higher than the East's trade," Alec Nove observes, "the relative importance of East-West trade in the trade of communist countries is much the greater." That is, "the communists stand to lose far more from a disruption of trade relations than does the West" and therefore are "not likely to initiate trade warfare."¹ The same point may be made about trade in relation to GNP: "Because China's economy is not as big as ours," Senator William Proxmire points out, "their dependence on us [in the case of more exchanges] would increase greatly."* "You," the Senator addresses a colleague (Hugh Scott), "have talked about a 10-to-1 relationship." In that case "\$100 million worth of trade would be 10 times as important to them as it would be to us," wherefore "we might . . . have 10 times the influence."² No consideration may then be given to the possibility that a given economic loss, whether assumed for one's own country or inflicted on it by an opponent through measures of economic warfare, may imply much greater pressure and punishment for a "free" Western than for a "totalitarian" Eastern government.

It may be an obscure awareness of this point which makes for inattention, in the present American debate, to the possibility that, just as the period of substantial economic relations of the Soviet Union with the West from the early twenties to the later thirties was in Moscow a prelude to a phase of aspirations to autarchy, the current orientation of the Politburo on transactions with the West may again be followed by retrenchment. In the mid-sixties the forecast that, in the words of one executive, "once the Soviet bloc countries have acquired sufficient U.S. technology . . . East-West trade will diminish"³ was normally taken into consideration, whether one assigned a high or a low probability to it. In the early seventies, with the exception of the doubts of a few hard-liners, the certainty seems to reign that Moscow has embraced the "international division of labor" for good—perhaps because it has understood Ricardo on comparative costs. Thus, for instance, it may be presumed that those in the Soviet leadership who "maintain that the climate and the soil of the Soviet Union just do not allow [one] to produce food as profitably as some other countries do," while the Soviet Union's comparative advantage lies in "industrial ventures," have won out definitively over those who do not want to rely on foreign food supplies.⁴ Or the Politburo may be thought to have resigned itself, after the failure of so many attempts to "reach and overtake" the West, to the enduring inferiority of Soviet technology, to be permanently corrected by transplants from the West. In any case, when Brezhnev made it very clear to Senator Vance Hartke and six other members of the Senate Commerce Committee that "they are interested in long-term relations, not just two or three years, but 30 years was mentioned . . . even 40,"^{†,5} almost no concern was shown in the subsequent public debate about how to hedge against changes in such expansive resolve. Momentarily, at least, a long past is forgotten in which "Soviet foreign trade organizations have frequently been criticized by Western businessmen as . . . unreliable trade partners."⁶

Highly favorable and also highly implicit forecasts about the balance of leverage between Moscow and Washington seem basic to the current equanimity regarding

* More than ours on them?

† Notice the absence of an intermediate span, say 10-15 years.

relying to some extent on energy imports from the Soviets in the eighties. In the spring of 1973 an economist observes approvingly in *The New York Times* that "there are many oilmen who wonder if a Soviet threat to withhold oil from American markets is any more dangerous than a similar threat from Libya or Iraq."⁷ It might be just that, despite the often-quoted benefit of diversification, if:

1. Moscow is apt to threaten or inflict denials of oil on behalf of demands more "dangerous" to us than those of Middle Eastern producers who would resort to this maneuver, "increasingly unpredictable" though they may be.⁸
2. We are more afraid of entering upon a conflict if the challenge that we are to defy is issued by Soviets rather than by Arabs.
3. Endemic potential conflict on numerous issues over decades is more likely with Moscow, which enjoys military parity with us and has aspirations toward all "azimuths," than with the Middle Eastern states, which are militarily insignificant and whose pursuits are more apt to be confined to areas close to their own.
4. Moscow's loss from denying us energy would be, in proportion to Soviet GNP, so much smaller than the corresponding loss in Middle Eastern countries that this differential would overcompensate for the opposed one of foreign exchange (and gold) reserves, at least for Middle Eastern countries of the Iran rather than the Abu Dhabi type.

Instead of discussing these variables concerning the period, say, 1983-2008, Peter Flanigan, when addressing the national security concern in the matter of Soviet gas, merely requires that "movement in this area" be "*preceded* by . . . a political climate . . . that makes those things in our benefit"⁹—a climate that, once established, will presumably stay put.

In addition, the magnitude of the worst case may be reduced by stressing the smallness of the percentage of our energy supply which might be put at Moscow-dependent risk: "Keep in mind," Secretary Peterson recommends, "you are only talking about relying on 5 percent," and even this would be "widely diversified"—the crucial adjective of reassurance—as "the eastern Siberia project would probably cover the Southwest and the West, and the western Siberia project would cover the East Coast." Thus, it "wouldn't be as though we had four cities that each depended for 50 percent of their requirements on the Soviet Union."¹⁰ What is not discussed here is the presumably high political sensitivity, in the United States, of even small-percentage deficits in energy.

Nor is there an acknowledgment of the deepening asymmetry between ourselves and our only potentially dangerous opponent, which might be thus presented in brief:

1. We started out, both of us, not depending on imports of energy; he has stayed that way.
2. We then began to need imports from countries where we exercised influence (Venezuela) or on whose abstention from denial we could rely (Canada).
3. We proceeded by needing imports from countries over which our influence is declining or small, and who have at least one powerful motive to deny (the Middle East).
4. We now propose to introduce some reliance on our only serious potential antagonist in the political-military sphere. In doing so, we intend to increase the chances that *his* self-sufficiency, in the face of his own rising demand, will be perpetuated.

In a future crisis, we might be able to threaten Moscow with reducing the Soviet growth rate; they might be able to threaten Washington with creating an acute fuel

shortage. The political severity for us would perhaps go well beyond the political impact, in the Soviet Union, of diet limitations due to our denying them wheat and feed grains. Our past stance toward East-West trade has been marked by a tranquil conviction that they-need-it-more-than-we, a belief which "Soviet gas" might in time render untenable.

This point may be difficult to perceive by virtue of the very atmosphere in which the "higher level," as the Soviets call it, of connections between Moscow and Washington has *begun* since the President's trip. For one thing, our negotiators seem more impressed than ever by how wrong we were to believe that influential people in the Soviet Union are sharply different, in ways pertinent to politics, from ourselves. "I think," declares Secretary Peterson, "the Russians are very similar to the Americans in many ways."¹¹ "These oil people in Siberia were our kind of guys," American oilmen recall.¹²

For another, they feel the same way about us. "We like to do business with the United States," one "senior Soviet official" declared to visiting congressmen to whom he "sounded almost like a typical American businessman." He added: "We think alike."¹³

Moreover, they like being with people. "He strikes me," Secretary Peterson sizes up Brezhnev, "as an outgoing—I would say even a gregarious—man."¹⁴

It is increasingly believed that what appeared to separate them from us, their "ideology," was always a thin veneer; or that they have lost faith in it, grown up. In any case, at present, according to another observation of Secretary Peterson's, "they're a very pragmatic group of people"¹⁵—a capital sameness with us which should preclude highly disturbing conduct.*

At the same time Brezhnev, in Secretary Peterson's estimate, is, respectably and understandably, "a strong advocate of his system, as we are strong advocates of our system."¹⁶ In both cases this is a natural expression of pervasive strength: Brezhnev "is a very vigorous man of body and spirit . . . obviously a strong man."¹⁷

They are competent. "They are not dressed-up peasants by any means," observes Assistant Secretary of Commerce Steven Lazarus. Rather, they are "excellent trade specialists," very impressive in the research they do. Deputy Foreign Trade Minister Aleksei N. Manzhulo is a "guy as competent an international trade specialist as you will find anywhere."¹⁸ As with us, being competent is being both down to earth and far out in the future: Brezhnev is "a practical man, and at the same time he can take the longer view,"¹⁹ Secretary Peterson discerns.

While "they're very bad salesmen" in organizing their enterprises—"they've given little attention to the selling side,"²⁰ having been hipped on production; we'll have to teach them there—they are highly proficient in business negotiations. "Brezhnev could be one of the world's great supersalesmen," judged a major American executive after listening to the General Secretary's talk to a small group of his kind.²¹ We recall from what happened to our 1972 wheat crop that "they really are great at buying."²² Just like ourselves, "they love to bargain," observes Secretary Peterson; "they are born bargainers."²³ Even when they are a nuisance, they may just be respectably tough—again, as we are or should be. "Patolichev," the president of the Committee for Economic Development, Alfred C. Neal, recalls about the Soviet Minister of Trade, "talked just good, hard bargaining language, unsentimental."²⁴

* To be "pragmatic" signifies being reasonable about means to attain moderate ends, but also to be efficient about means to attain far-out ends—as the Politburo was, for instance, in 1944-1948 in consolidating the power of communist parties controlled by it in the Eastern European countries, of which it has, a quarter of a century later, kept more under its dominance than less.

Such excellent qualities might be menacing if joined with superior strength; but precisely in current negotiations on economic relations, the Soviets—in contrast to their position in the SALT talks—reassuringly show an evident inferiority to us. When Neal wants to show that “he [Patolichev] was certainly arguing more from strength than from weakness,” his evidence is intriguing (as we would expect from the “certainly” and the “more than”): “[He was] telling us. We have a big market, and *you ought to be* interested in that market, and *we want* to sell stuff to you, too.”²⁵

The Soviets are eager to get from us what they have tried hard and long to procure by themselves, failing. The “suddenly increased [Soviet] appetite for American goods,” notes *Fortune* in early 1973, “conveys . . . [a] message about the Soviet economy—a message of failure.”²⁶ While, according to the writer, that message has been little noticed, it seems to have been well perceived by leading Americans. “We were on a lot of highways,” Secretary Peterson reminisces. “You just don’t see many large American-type tractor-trailer trucks.” And “the trucks you do see tend to be considerably smaller and older.”²⁷ Are these the people who would attempt to bury us? Also, reports the Secretary, “I used to be in the camera business before coming to the Government—the features that they are now putting on movie cameras are those that were popular in the United States at least 10 years ago . . . I saw several very large, I would have to say bulky cameras—and you know how Americans are going for miniaturized-type cameras . . . those cameras just wouldn’t sell at all in this country, not just because of price, they weren’t even automatic-exposure cameras.”²⁸

The Soviets acknowledge our technological superiority. “The Russians apparently feel,” observes Secretary Peterson soberly about the Kama River truck plant, “that American companies can help them a great deal with this project.”²⁹ But he does not always conceal his satisfaction: “It’s kind of interesting,” he confides, “to hear the number of times they say: ‘We want the latest and we want the best. And we know the United States does better than anybody in some of these manufacturing operations.’”³⁰ As to Siberian liquified natural gas, doesn’t the Soviet offer† imply that the Soviets have finally resigned themselves to their incapacity to develop their frontier, that we who have succeeded with regard to our own are also going to do it for them? How plausible does it seem in such a context that we may not continue to be on top in the later phases of this big operation? That with the passage of time their reliance on our equipment and know-how is apt to decline, while our dependence on their energy is expected to rise, may remain unmentioned.³¹

In the summer of 1972 the Secretary of Commerce holds it to be “very much” in our interest to explore the possibility of gaining access to, and aid in the development of, energy fields as rich as those possessed by the Soviet Union—are we, the “drunken sailor” who “can now feel the hole in the bottom of . . . [his] pocket,” as improvident perhaps in mending that hole as he had been in the “spending of . . . energy” which produced it in the first place?³²

* But what about the military sector, little visible on roads or in shops?

† “Mr. Brezhnev said . . . to me: ‘We have vast treasures of energy . . . We are willing to share them with you.’” Secretary Peterson in *U.S. News and World Report*, September 4, 1972, p. 43.

Notes

1. Reprinted in Grub and Holbik, *op. cit.*, p. 59.
2. *Economic Developments in Mainland China*, Congressional Joint Economic Committee, 1972, pp. 21-22.
3. Views on East-West Trade, 1964, p. 36.
4. Victor Zorza—who merely describes this division of positions—Chicago *Sun Times*, April 5, 1973.
5. *The New York Times*, April 24, 1973.
6. Hardt and Holliday, p. 42; see supporting evidence on pp. 43-44.
7. March 4, 1973.
8. Secretary Peterson, October 3, 1972; quoted by *National Journal*, November 18, 1972, p. 1766.
9. Quoted by Richard S. Frank, *National Journal*, November 18, 1972, p. 1766; emphasis added.
10. Quoted in *ibid.*
11. Quoted in *National Journal*, November 18, 1972, p. 1771.
12. *Business Week*, October 21, 1972, p. 73.
13. *Tension and Detente . . . Report of a Study Mission to the Soviet Union*, Washington, D.C., April 1973, pp. 92-154.
14. News Conference in Moscow, August 1, 1972, Department of State Bulletin, September 11, 1972, p. 285.
15. *National Journal*, November 18, 1972, p. 1771.
16. *Ibid.*
17. *Ibid.*
18. *Ibid.*
19. *Ibid.*
20. Ambassador Jacob D. Beam, *U.S. News and World Report*, May 28, 1973, p. 41.
21. Blair House, June 22, 1973. *The New York Times*, June 23, 1973.
22. Ambassador Jacob D. Beam, *U.S. News and World Report*, May 28, 1973.
23. *National Journal*, November 18, 1972, p. 1771.
24. *Ibid.*
25. *Ibid.*; emphasis added.
26. Herbert E. Meyer, February 1973, p. 66.
27. *U.S. News and World Report*, September 4, 1972, p. 43.
28. *Ibid.*, p. 42.
29. *Ibid.*, p. 43.
30. *Ibid.*, p. 42.
31. As in Hardt and Holliday's cost-benefit count, p. 73.
32. *U.S.-Soviet Commercial Relationships in a New Era*, Washington, D.C., August 1972.

Part Two

THEIR CALCULATIONS

VI. ANOTHER VICTORY

In the United States, it is not feasible to pretend that it is only *they*—the Soviets—who have changed; nor is it practicable to deny that our change is at least in part due to the failure of previous policies.

We tend to concede more than needed. It would be at least plausible to suggest that it was the success of the "containment" policy as a whole which inflected Soviet conduct so that the new era became possible. But frequently we now impute symmetry to the "cold war." There was no Soviet offensive, actual or potential, and hence no Western defense—just mutual mistaken fears. James Reston stands for many when he refers in passing to "the mistrust that . . . poisoned the relations between Washington and Moscow in the first generation after World War II."¹ Peter Flanigan invokes "what Theodore Geiger calls 'the logic of mutual distrust' which, for so long, has impaired the growth of good relations between the Soviet Union and the United States."²

What held good for the origins of the cold war obtains as well for the manner of its leaving: both sides, at about the same time and in the same measure, managed to shake off their unreasonable feelings, beliefs, and policies. "Both in Moscow and in Washington," Flanigan observes, "there . . . has been recognition of the need to reduce levels of political tension,"³ which, it is implied, both capitals had been equally busy and successful in creating. "The pressures," Secretary Peter G. Peterson concurs, "which are moving the Soviet Union towards . . . accommodation with the West *parallel* a . . . shift in U.S. foreign policy toward improving relations with the major communist powers." In fact, "as the United States, *like the Soviet Union*, is *under popular pressure* to reallocate resources to meet . . . social demands," we are "faced with *an exact parallel* to the Soviet situation. . . . We, *too*. . ."⁴ Too bad for our dubious habits, but good for all of us: our peoples just won't stand for our inveterate fearfulness and hostility any more.

It will hardly astonish the reader that there is no "exact parallel" to such declarations of ours in important, or even extant, Soviet pronouncements. The one modest approximation to the major American theme of symmetrical accommodation occurs when Brezhnev resolves to offer a treat to the important businessmen listening to him at Blair House, June 22, 1973. (I wonder whether they fully perceived the gift being bestowed on them.) There and only there he publicly admits past Soviet imperfection, in language whose meaning is clear enough to any practitioner of polite abstraction, though it contrasts with the language of the eminent Americans I have quoted, calling things (or alleged events) by simpler names:

In the past, in the field of . . . economic ties, we adapted ourselves to one system of relations, and we stopped short right there, and for some time refused to move onward to new forms. . . . We have . . . been prisoners of . . . old tendencies . . . old trends, and to this day we have not been able fully to break those fetters and to come out into the open air.

Not only does Brezhnev follow this unique admission of imperfection by observing that his side is, in any case, not worse than we

If I say this applies to us . . . that is certainly something that applies to yourselves as well

but he goes on to alleviate, as it were, his coming close to truth by departing from it quickly, at his own (insignificant) expense:

In the fairly recent past it was impossible . . . that one of our ministers, let us say, could . . . talk to one of you. . . . How could a representative of . . . the country of Lenin suddenly meet with a business executive of the U.S.?⁵

Brezhnev's distance from truth at this point is all the more striking when one recalls the meeting, more than fifty years ago, between Lenin himself and the future chairman of Occidental Petroleum. Needless to say, between then and now the Party never regressed to "petty-bourgeois" conceptions of exchange and trade. Our dispositions on economic relations with the West, so goes the standard Soviet line,* have not changed since the fall of 1917; it is the West which has repeatedly attempted to blockade us. Whenever it did so, we had to adopt countermeasures. Whenever the failure of such attempts "forced" the West to normalize their economic conduct toward us, we were content to respond in kind. "The maximal utilization of the possibilities of international cooperation and division of labor," as a standard formula has it, "is the traditional policy of the Soviet Union."⁶ Negatively, and in equally standard fashion, "we never were partisans of . . . autarky."⁷

The most vivid exposition of this theme is given by Yuri Zhukov writing in *Pravda* in the spring of 1973 (May 15). Here, 1973 is identical with 1918:

Let us remember with what interest and solicitude (*vnimanie*) V.I. Lenin was concerned with the development of business relations with the U.S.A. even . . . when American armed forces were still on our soil . . . Already in June 1920 Lenin ordered the conclusion of a deal with an American corporation which proposed to furnish Soviet Russia, through Black Sea ports, 200 locomotives, cisterns, machines and other goods in exchange for raw materials. . . . In 1922, V.I. Lenin receives the American industrialist Armand Hammer and demands† that Hammer be given every possible collaboration. "Here we have a tiny path (*malenkaya dorozhka*) to the American business world," Lenin writes members of the Politburo‡ in a circular note—"and we must fully utilize that path."

Lots of American businessmen wanted in the early twenties precisely what they want in the early seventies, Zhukov continues:

Already then there were some . . . in the ruling circles of the USA . . . who thought it indispensable to enter on the path of "peaceful cohabitation" with the Soviet country, and Lenin willingly (*okhotno*) met them, negotiated, examined far-reaching plans of economic cooperation. . . . [In the fall of 1920] on Lenin's order negotiations begin with the American industrialist Vandervlip who, in the name of a whole group of corporations, proposes a deal of enormous dimension, extending to Kamchatka and Eastern Siberia; the American entrepreneurs are particularly interested in oil.

The only difference between then and now is in the balance of power within Washington, Senator Henry M. Jackson's predecessor prevailing:

* Throughout Part Two of this report, local shifts in point of view (as indicated by use of the personal pronouns "we," "our," and "us" and "they," "their," and "them") should be clear from the surrounding text or from sources in the endnotes. Broadly, and unless contra-indicated in context, "we" is the United States or the West, and "they" is the Soviet Union (as in the title of Part Two, "Their Calculations").

† Presumably of elements in the leadership unenthusiastic about his policy.

‡ Who apparently need a good deal of persuasion.

The deal only falls through because . . . Secretary of State Hughes makes it conditional . . . upon the restoration of the bourgeois order in Russia.

Let the partisans of Petr E. Shelest not yet eliminated from the apparatus beware:

In March 1922 Lenin demands of his collaborator N. P. Gorbunov whether visas had been delivered to representatives of American capitalists who propose to furnish Russia with 40 million dollars worth of agricultural machines. "If they have not yet received the permission to enter," writes Lenin, "obtain with all means the names of those guilty of the red tape (*volokita*) so that I can subject (*podvergnut*) them to severe (*surovyi*) punishment (*vzyskanie*)."

The new era inaugurated by the President's voyage to the Soviet Union in the spring of 1972 is then, in the Soviet view proposed, the product of (a) Western, and in particular American, setbacks (the failure of economic warfare against the Soviet Union; the sharpening of competition between the United States, Western Europe, and Japan; the threat and actuality of unemployment; deficits in balances of payments; and monetary crises) and (b) Soviet advances in all domains and respects. Such a conjunction has made true a prediction of Lenin's which it is customary to quote these days: "There is a force stronger than the wishes, the will and the decisions of any of the governments and classes hostile to us. That force is the general relationships in the world economy."⁸ "A missed opportunity never returns" proclaims a popular American proverb," according to *Pravda's* American correspondent in the late spring of 1973. "However," he pursues, "the dynamism of the Soviet Program . . . enunciated by the 24th Congress of our Party is such that conventional wisdom loses its ground before it." To be sure, "the U.S. was not able to utilize the favorable opportunities created almost four decades ago [when the United States recognized the USSR and created the Export-Import Bank to extend credit to it]." Thus, "it was only very recently that the Export-Import Bank proceeded to fulfill its basic task." In these circumstances, "among American businessmen and even [sic] governmental officials what has become much more popular is . . . the proverb 'better late than never,'" a saying that is Russian.⁹

Not content with alleging that we have finally yielded to traditional Soviet aspirations, Moscow adds that it has been willing to accept our offerings only after we had also complied with "political" conditions. But the Soviets abstain from drawing up a list of such concessions allegedly obtained from Washington and Bonn, in particular (one imagines)—perhaps fearing that this would be helpful to the remaining partisans of the cold war in these capitals, and also that it might stimulate Western allusions to Soviet counterparts (e.g., on Vietnam).

Instead, Moscow, elevating the debate, as the French would say, insists on a point of theory: advances in political relations bring about progress in economic ones, oftener than the other way around. ("Dialectical materialism" has seen any number of occasions when the "superstructure" was made to play the role ordinarily allotted to the "infrastructure," as convenient.) Thus, according to the minister of foreign trade "the entire history of the Soviet Union's international ties" proves "Lenin's idea that better political relations help to make fuller use of the possibilities for trade and economic cooperation between countries with differing social systems."¹⁰ Instead of Lenin being fulfilled, he may now also be, discreetly, corrected (and that in the supreme "theoretical" publication, *Kommunist*). To be sure, as "V.I. Lenin taught," it is "the economic requirements of the capitalist countries which primarily motivate them to normalize political relations with the socialist countries." "But"—it has come to the famous Bolshevik "but" to become applicable to Lenin—"an important role is also played here by a reverse influence—that of capi-

talist policy on economics." In fact, "the implementation of the foreign policy program formulated by the 24th Congress has shown once again* that the settlement of . . . political problems† . . . opens the way for . . . economic relations."¹¹

The primacy of politics—the recent political advances made by the Politburo having been a necessary condition for the new economic era—thus established, one may with less emphasis acknowledge, in Patolichev's words, that, "at the same time," "economic relations are an important means of normalizing the international political situation."¹² Once having corrected Lenin, the theoretician quoted above observes that "on receiving an impetus from politics"—we see, he doesn't relent—"economic relations develop independently‡ . . . push forward . . . political relations." "In this sense" (only) is it true that "the present stage of the development of economic relations between the USSR and major capitalist countries is . . . a lever for further successes in . . . normalizing the political situation in the world" ("further," that is, with respect to the ones that are the very basis of the present).¹³

The new economic era having thus been established as both an effect and a cause of defeats for the "other social system" (as it is increasingly called—"capitalist" is still allowed, but "imperialist" has become rare and "American imperialist" is discarded in the present right turn) and of victories for the Party, that new era can then be exalted as a "qualitatively new stage in relations" between "socialist" and "advanced capitalist" countries.¹⁴

And then, in perpetuated Bolshevik sensibility, what only a moment ago appeared to be the success of one's "dynamism" (a term borrowed from the West at a time when it has already lost its luster there) turns out also to be a stern and gratifying submission to the necessity of an objective law of development. Particularly in 1972, when one had to accustom oneself to something new and a bit dismaying (see Sec. II), and when the new line presumably was still opposed by those among whom Shelest was to fall—particularly then it was recalled that "the worldwide process of internationalizing economic life" is an "objective factor."¹⁵ Socialist countries, whatever their (unmentioned) preferences, simply "cannot ignore the objective trends towards internationalized production," trends "which are also operative in the capitalist world."¹⁶ Indeed, it is the very "special features‡‡ of the present day scientific and technological revolution" which "make broad international cooperation necessary."¹⁷ The Deputy Chairman of the State Committee for Science and Technology, D. Gvishiani, goes farther, abolishing not only present differences but also those between the present and the past (having forgotten about or relishing a holiday from Marx' rejection of "eternal categories" in favor of "historical" ones): "Economy," that well-connected top intellectual teaches the West Germans, "is always world economy."¹⁸

A year later (with habituation to the new situation, with victory over those who opposed the new policy in Moscow, and with substantial and promising yields from that policy, both economic and political), the universal language of contemporary managers (developed in the West, particularly by us) replaces the Marxist idiom appropriate to a moment of passage. In the spring of 1973 another eminent intellectual, writing in a prominent place, recalls that "under the conditions of the . . .

* It isn't even the first time Lenin has been proved wrong?

†i Unnamed, as noted above.

‡ To Marxist-Leninists this will call up Engels' footnote in the eighties and nineties to Marx' formulation in the fifties: once having been determined by the economic infrastructure, the superstructure develops independently.

**That is, by implication, operating regardless of social systems.

‡‡ Not detailed.

scientific and technical revolution* . . . no single country . . . can develop the production of all types of output . . . with the same effectiveness."¹⁹

This theoretician illustrates the dual mentality of so many Soviet intellectuals today by engaging in an excursion into creative Marxism-Leninism. Pretending to forget Stalin who abounded in this sense, he discovers the appearance, at an undisclosed moment, of "two world economies," with "two world markets," leading a parallel existence. What is happening now is that the two are "joined" by a "conglomeration" of "economic ties"—both aversion and attraction presumably being expressed by this heaping on of synonyms—so as to form a "world economic system." (Within brackets, the contribution of developing countries to this entity is acknowledged.) But the contributions of socialism and capitalism, respectively, to the creation of this good thing, the "world economic system," are, as we would expect, not equal: it is "under socialist conditions" that "the objective† trend toward . . . the internationalization of economic relations" receives a new impetus.²⁰ We Soviets didn't *have* to turn to Occidental Petroleum and Swindell-Dressler because our growth rate fell to about half of what it had been; we *chose* to do so in accordance with a command following from the very essence of socialism.

* Degraded, as we see in the balance of the sentence, from being an operating factor to furnishing the context in which men optimize.

† Shades of 1972: we may not like it, but there it is.

Notes

1. *The New York Times*, June 22, 1973.
2. Speech at the National Association of Manufacturers' U.S.-Soviet Conference, February 27, 1973 (mimeographed), p. 11.
3. *Ibid.*, p. 2.
4. *U.S.-Soviet Commercial Relationships in a New Era*, August 1972, p. 13; emphasis added.
5. *The New York Times*, June 23, 1973.
6. For example, N. Shmelev, *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 1 (January 1973), p. 1.
7. I. Ivanov, Conference sponsored by the Stanford Research Institute and the Institute of World Economy and International Relations, April 1973 (mimeographed), p. 4.
8. Quoted, for instance, by L. Eliseev, *S.Sh.A.*, June 1973, p. 88.
9. G. Shishkin, *Pravda*, June 12, 1973.
10. N. Patolichev, *Foreign Trade*, May 1973, p. 7.
11. V. Gantman, *Kommunist*, No. 7 (1973); FBIS, June 12, 1973, p. A10.
12. *Op. cit.*, p. 7.
13. *Ibid.*
14. See, e.g., Shmelev, *op. cit.*, p. 13; Y. Nikolayev, *Mezhdunarodnaia zhizn*, No. 5 (1973); FBIS, May 24, 1973, p. G9.
15. V. Kazakevich, *International Affairs*, August 1972, p. 43.
16. A. Vetrov and V. Kazakevich, *Foreign Trade*, November 1972, p. 14.

17. V. Matveyev, *Izvestiia*, January 22, 1972; *The Current Digest of the Soviet Press*, February 16, 1972, p. 9.
18. Interview in *Der Spiegel*, May 1, 1972.
19. N. Inozemtsev, *Pravda*, May 16, 1973; FBIS, May 22, 1973, pp. A8-9.
20. *Ibid.*, p. A5.

VII. OR HAS IT NOW BECOME EVIDENT THAT WE ARE CONDEMNED TO BACKWARDNESS AND DEPENDENCE?

Observing in the summer of 1972 to Secretary of Commerce Peterson that "we have vast treasures of energy and raw materials that can last for generations to come," Brezhnev did not continue, as an American somewhat earlier in the century would have done after making the same statement about *his* continent: by predicting a high growth rate of one's economy upon one's exploiting this bounty. Rather, the Soviet leader disclosed to his foreign guest what "we have decided at the highest level": "We are going to make those *available*, . . . we are willing to *share them* with you."¹ Brezhnev no doubt remained the "charming person" he is² when making this announcement. Still, it is likely that the decision was, and continues to be, painful to those whose decades of political activity cover several periods in which the point was forcefully made that one was fairly soon to "overtake and surpass" the West in general, and the United States in particular. "You have seen Siberia and its immense possibilities," Kosygin told a group of prominent West German businessmen returning from that part of the Soviet Union (in early 1971); "come and get it!"^{*} Kosygin's dismay over the Soviets' inability to develop their "immense possibilities" themselves is perhaps counteracted as much as revealed by the brutality of his invitation (turning passivity into activity), and by his going on to recall situations more favorable to the Politburo. "Well now," he is said to have continued, "have you conquered Siberia?" When the head of the German group quipped back "you know, we are modest people," Kosygin reminded him that "that wasn't always so."³

If the Politburo feels that the Germans-Americans-Japanese are top now with regard to the economic development of the Soviet Union, it may help them accept their present predicament if they remind themselves of the inverse situation at the end of World War II. At the very time when the new economic era gets under way, *Pravda* quotes the words that Lenin allegedly spoke half a century before to young Armand Hammer: "Russia is a backward country with huge untapped resources. . . . We should avail ourselves of everything you [foreign capitalists] have which is of value."⁴ This may both help the present Politburo to accept what it may sense as a second New Economic Policy and stimulate subdued despair: after fifty years (they will argue), with all our efforts and all our accomplishments, we are still backward, still in need of economic aid from the really big ones, the capitalist centers. Will we ever be different? Will we ever be out of a predicament where we have to offer political-military concessions for economic advantage, as when the director-general of Tass (Leonid M. Zamyatin), talking with American newsmen during Brezhnev's visit to the United States in the early summer of 1973, points out solemnly, first, that "long-term and large-scale trade-agreements" do "create trust," and, second, that where trust exists, it is always easier to settle such questions as SALT II. All of which the journalists reasonably take to mean, in the words of R. W. Apple, Jr., that, according to the Soviet spokesman, "the limitation of strategic arms and the mutual reduction of forces in Europe would proceed more rapidly if U.S.-Soviet trade could be expanded."⁵

The Politburo obviously deplores some aspects of the economic situation, but it is willing to face them publicly to a modest degree. This is the case, for instance, with regard to the share of high-technology goods (and licenses) in Soviet exports: satisfac-

^{*} *Greifen sie zu* —there is no indication whether the Soviet leader actually spoke in German.

tory only toward the developing countries, limited toward the socialist ones, and puny toward the capitalist ones, as the evidence of the paragraphs to follow seems to show.

To be sure, the future will here be invoked to redress the present: "The proportion in exports of machinery, equipment and other manufactured goods will increase further [sic]."⁶ And even though current distribution may not yet justify it, this noble category can be accorded first place in descriptions of the country's pattern of exports: "The USSR and other socialist countries are suppliers of many goods on the world market, including modern machinery and equipment, . . . raw materials, . . . semi- and fully-manufactured products."⁷ Thus, the category whose prominence (in contrast, say, to U.S. wheat sales) is characteristic of the exports of an underdeveloped country appears sandwiched between categories characteristic of high development. Also, when one's overall performance is low in one large domain, there still may be subsectors where one does very well indeed: "*In many kinds of machines and equipment*," three of the most prominent Soviet spokesmen announce with safe vagueness, "the Soviet Union is the biggest exporter in the world."⁸

An unsatisfactory state of affairs may be tacitly admitted by demanding redress. "A way has to be found," it may be insisted, "of improving the pattern of the imports by the industrial capitalist countries from the Soviet Union," notably through "substantially increasing the share of machines, equipment and other finished products."⁹ Threats are added, at least in the early phases of the new era: as "the commodity pattern of East European countries' export to Western Europe" does not reflect fully either the productive or the commercial facilities of these countries, "there is little hope for a stable growth of exports to the socialist countries . . . without increased imports of manufactured goods from them."¹⁰ East-West trade "will only expand considerably when the West begins to buy large quantities of machinery and equipment in the socialist countries."¹¹

But as the threat of economic reprisals by the Soviet Union against the West's lack of interest in its higher technology is hardly apt to be pressing—and how could it be that?—what it all amounts to is resignation. Having observed that "raw materials, fuels and foodstuff predominate in exports from socialist countries towards Western Europe, while machines, equipment and other finished products predominate in exports from capitalist countries towards Eastern Europe"; having pointed out that "this structure of commerce between the two European sub-regions" is "an obstacle becoming stronger and stronger on the path of a Pan-European division of labor which would be both efficient and [sic] advantageous for the socialist countries"—having done all this, a prominent Soviet spokesman concludes lamely that "the elimination [of this state of affairs] . . . will demand protracted and considerable efforts by both sides."¹²

But such forthrightness is unusual; silence about the displeasing is more common. The only time I have seen "the prospect of the transportation of large consignments of American grain" mentioned was in the observation that it is "a matter of great interest to American farming and business circles."^{*13}

The future, as we have seen, is always at one's disposal to redress the present. For in the future—not names—"provision has also† been made for a considerable increase of agricultural output," which "will greatly enlarge the Soviet Union's export potentialities."¹⁴

* That is all. It would be too difficult, after all, to hint at the United States being backward because a substantial part of its exports consists of primary products; nor does the sluggishness of Soviet agriculture allow very strong claims that this sector is capable of being a capital-intensive industry.

† Perhaps one might say "once more."

Whenever foreign economic relations displease, one may restore one's spirits by recalling that, while of course we don't want to, we could so easily become autarkic. "The Soviet Union . . . is able to promote its economic advancement with its own resources."¹⁵ "In the absence of an alternative," another specialist recalls, "the Soviet Union . . . disposes of all that is necessary for attaining [sic] a high level of development while relying only on its own forces"¹⁶ "Our country," declare the Vice-President of the USSR Academy of Sciences (A. Vinogradov) and the Deputy Chairman of the State Committee for Science and Technology (D. Gvishiani), "[possesses] opportunities for resolving any scientific and technical tasks with its own forces."¹⁷

It is not under duress, but only for greater advantage that we engage ourselves economically abroad. While today, as the minister for foreign trade points out, "our country is practically in a position to meet all its basic needs for machinery and equipment from its own . . . resources," it is "thanks to its foreign trade" that "our economy can . . . import products at less expense Purchasing machines, equipment and licenses"—how that rankles!—"results in . . . lower production costs . . . and also . . . [in the production] of new high-standard products."¹⁸

There's something in our foreign economic relations that is at first sight distressing? (Soviet sentiments seem, we see, to attach themselves to matters economic, ours to what we expect their political consequences to be.) Closer inspection will show that it's just what every advanced country is doing. Thus, neglecting the difference between consumers' goods associated with subsistence, such as wheat, and those indicative of affluence, a Soviet spokesman explains "the marked increase in the import of consumers' goods" entirely by "the rise in the Soviet people's standard of living." Yes, "the Soviet Union . . . continues to import large quantities of equipment"; but that is merely "taking advantage of the international division of labor," as all the other major industrial countries do.¹⁹ In fact, importing equipment is a sign not of backwardness, but of advanced status: "There will be a demand for the latest types of equipment" precisely "on account of the large scale on which . . . factories are to be modernized."²⁰ Also, "with . . . modern rates and scale of technical progress, all countries, including the most developed, consider it advantageous . . . to acquire licenses abroad," so that the Soviet Union is merely no exception.²¹

Soviet leaders are sensitive to "bourgeois" (now also a rare word) allegations of "some kind of 'one-sided interest' of the Soviet Union in developing trade with the United States."²² "The point here is," another specialist observes, precisely "not that the USSR, as bourgeois propaganda alleges, is interested in promoting trade [with capitalist countries] to a larger extent than these countries desire trade with the USSR."²³ It's the other way around: "Since [October 1957, the date of Sputnik] . . . literally a stream . . . of inquiries and proposals has come from the United States concerning the exchange of scientists, specialists and of technical information."²⁴

Yes, the Soviet Union needs foreign "capital investment for the utilization of [her] natural resources."²⁵ But rather than permitting themselves to dwell on Soviet incapacity to exploit these resources with equipment of their own, Soviet spokesmen stress that it is the Soviet Union which possesses what foreigners merely desire. "You have vast natural resources," a prominent businessman from the Federal Republic of Germany is approvingly quoted; "this is highly attractive to us."²⁶ In fact, it is "to meet the needs of Western countries in industrial raw materials" that "large additional investments"—naturally, then, of Western capital—"will be required . . . in the Soviet Union."²⁷

It is not they (the Soviets) who are rejecting us (the Americans), it is we who are refusing them. While "one can already observe . . . competition between capitalist firms for access to the Soviet market and participation in large-scale common pro-

jects," Soviet officials have come to the conclusion that "far from all industrial firms of the West dispose of the indispensable capital, experience and technical knowledge" to perform.²⁸ On those projects that the Soviets finally do accept they impose severe conditions. "The Russians," an Italian top-manager is quoted with evident relish, "have perfectly learnt to put the seller, when several of them compete, into a difficult (*zatrudnitelnyi*) position."²⁹

As long as the West dares to put extraneous conditions on a normal economic transaction, the Soviets refuse to consider the matter at all. When in 1970-1971 Washington "proceeded from the premise that the USSR was interested to a greater extent than the United States in the development of . . . trade" and that "by virtue of this, trade could be conducted with the USSR while securing concessions 'in a wider context'," such a strategy clearly could not be successful³⁰—a point equally clearly compatible with that "strategy" working.

When there is something in the transaction itself, rather than its origins, which is embarrassing, one may simply omit the offending element from one's description, suggest a pleasing substitute, or be nobly abstract. "The point in question," Kosygin may say about long-term agreements with Western countries, is "cooperation . . . in the elaboration of several major economic questions, linked with *the use of the . . . resources of the Soviet Union*, construction of industrial enterprises, search for new technical solutions."³¹

Leaving out the place *wheresomething* is going to occur accomplishes a lot. "The cooperation between the USSR and the USA," according to the "estimations of representatives of the American administration and American 'business circles,'" explains an observer, "could occur in such branches as the exploitation of mineral resources, the construction of enterprises for the extraction and exploitation of oil and gas, enterprises in the petrochemical, pharmaceutical and food industry, the perfecting of port infrastructures, computerizing truck flow, the development of container transport"—a welter of things to be done, and no word about the where of them. That comes a bit later, perhaps rendered easier by a first phase allowing for the fantasy of balanced activities in the two continents: it's a question of the role of "*American firms* in the exploitation of some (*nekotorye*)"—perhaps just a few—"natural resources of the Soviet Union"—again, it's they who are pressing for it, not we—"in the import of which the USA is interested."³²

At times, U.S.-USSR symmetry may be asserted rather than merely implied. "East-West cooperation in the construction of large industrial and power installations on *each other's* territory," we may be told, "is now no longer a rarity." Trouble arises when one proceeds to cases. For if "Western companies are taking part in building *automobile* works, a synthetic fibre plant and other industrial installations in the USSR and other CMEA countries," the socialist countries are merely "building *enterprises with advanced technologies* in Western Europe."³³ One has to make do with an Eastern potential matching a Western performance when Francois Ortoli is approved for this estimate: "While Renault is capable of building a plant in the USSR,* Soviet industry . . . is fully [sic] capable of taking part in industrial activity in this country [France]."³⁴ It is only subsequently that we hear about "Soviet-French cooperation in producing metal-cutting machine tools,"³⁵ a lag presumably due to the writer's awareness that in Franco-Soviet ventures the French give more in technology than they receive.

Finally, American contributions to Soviet development may be removed from attention by proposals for "joint ventures" of the two benevolent giants on behalf of the world at large, and by detailed descriptions of current beginnings of such

* Which Fiat after all has done.

enterprises. It is standard to suggest a "combining of . . . [Soviet and American] achievements . . . in such important matters of the present era" as the preservation of natural resources, the extraction of resources from the world's oceans, and space research³⁶—ventures, were the USSR and the United States to engage in them jointly, to which their contributions might be roughly equal, and from which not only they but the whole world would receive benefits.

Still, the reality is one where the West, in the new economic era, engages in transactions with the Soviet Union which remind one of the West's dealing with such a Soviet neighbor as Iran, a developing country. That this is not lost on the Soviet rulers is, it would seem to me, made plausible by the nuances of their treatment of the matter, as sketched in the preceding paragraphs.

The shame about backwardness and dependence, which I have tried to illustrate, has not always been present. During the previous bout of heavy reliance on foreign contributions to economic development, from the NEP through the Second Five-Year Plan, the shame was, it seems to me, negligible. Backwardness could be laid to the ancient regime; one's consent to dependence becomes a subject of pleasure, pride, and self-righteousness in connection with the Bolshevik emphasis on "utilizing" (*ispolzovat*) all (including the most distasteful) means, if they be "necessary" (*nuzho*) for a transcendent goal. A third of a century later the situation is more difficult. There is no rejected past to which to pass the buck; and the Bolshevik penchant for viewing the present as an intrinsically worthless time of passage to a future transfiguration has weakened. Hence, the shame.*

By this argument, embarrassment may then be absent among those who have retained the earlier sensibility, as seems to be the case for a member of Gosplan (V. Spandarian) writing in *Pravda* in the spring of 1973 (May 8). From the outset, he does something now rare: he links the painful present to the all-justifying future. It is "the grandiose tasks of building communism"† which "demand (*trebovat*)" the mobilization of all forces and means, of all resources." Hence, "in their collaboration with foreign firms Soviet organizations are governed by the Leninist thesis concerning the indispensability (*neobkhodimost*) of links with capitalist countries in the interest of socialist construction." Such old-fashioned faith and a presumably long perspective—didn't capitalism take hundreds of years to mature?—allow sober forthrightness where others are squemish:

In . . . present conditions there appears the possibility to proceed . . . to agreements between Soviet organizations and foreign firms concerning collaboration in the exploitation of natural resources of the USSR and the creation on our territory of industrial enterprises. . . . The USSR . . . will obtain . . . also advanced (*peredovoi*)‡ . . . newest (*noveishee*)** equipment and advanced technical experience.††

* Irrational from an (analytically) economic point of view, but there.

† Seldom mentioned these days.

‡ A prestigious word very rarely used in this context, as it admits to Soviet inferiority in technology.

** The same remark applies.

†† The author rubs it in.

Notes

1. *U.S. News and World Report*, September 4, 1972, p. 43; emphasis added.
2. Secretary George P. Shultz, *Novoe vremia*, No. 22 (1973); FBIS, June 21, 1973, p. G2.
3. *Der Spiegel*, No. 3 (1973), p. 62.
4. *Pravda*, November 9, 1972; quoted by *Soviet Analyst* (London), March 15, 1973, p. 3.
5. *The New York Times*, June 21, 1973.
6. A. Voinov, *Foreign Trade*, August 1972, p. 52.
7. L. Lyubovtseva, *International Affairs*, December 1972, p. 100.
8. V. Alkhimov, G. Arbatov, N. Inozemtsev, *Investiia*, May 5, 1973; emphasis added.
9. B. Pichugin, *International Affairs*, February 1972, p. 14.
10. Vetrov and Kazakevich, *op. cit.*, p. 11.
11. M. Burinsky, *Foreign Trade*, April 1972, p. 25.
12. N. Inozemtsev, *Europe 1980* (Leiden and Geneva, 1972), p. 127.
13. I. D. Seregin, *S.Sh.A. (U.S.A.)*, November 1972; JPRS 57659, p. 83.
14. Pichugin, *op. cit.*, pp. 9-10.
15. *Ibid.*, p. 7.
16. Shmelev, *op. cit.*, p. 10.
17. *Pravda*, June 15, 1973; FBIS, June 22, 1973, p. G1.
18. Patolichev, *op. cit.*, p. 6.
19. Pichugin, *op. cit.*, p. 9.
20. *Ibid.*, p. 11.
21. *S.Sh.A. (U.S.A.)*, April 1972; FBIS, May 3, 1972, p. G10.
22. A. Makayev, Deputy Chairman of the Board of the Soviet Foreign Trade Bank, *Trud*, March 31, 1973; FBIS, April 5, 1973, p. G5.
23. Pichugin, *op. cit.*, p. 14.
24. N. A. Berdennikov, *S.Sh.A. (U.S.A.)*, November 1972; JPRS 57659, p. 2.
25. S. Shershnev, *S.Sh.A. (U.S.A.)*, April 1972; FBIS, May 3, 1972, p. G10.
26. Kazakevich, *op. cit.*, p. 44.
27. Vetrov and Kazakevich, *op. cit.*, p. 11.
28. Shmelev, *op. cit.*
29. *Ibid.*
30. Shershnev, *op. cit.*, p. G2.
31. To the Supreme Soviet, November 24, 1971; FBIS, November 26, 1971, p. 13; emphasis added.
32. G. Bazhenov, *Mezhdunarodnaia zhizn*, March 1973, p. 94; emphasis added.
33. Kazakevich, *op. cit.*, p. 46; emphasis added.
34. *Ibid.*, p. 47.
35. *Ibid.*
36. Shershnev, *op. cit.*, p. G10.

VIII. JOIN THEM AND YOU MAY YET BEAT THEM

Being, for all its efforts to obscure or deny, very much on the asking end, the Politburo, even in earlier dispositions, would not want to be unpleasant. But this powerful reason for avoiding offensiveness happens to operate at an advanced stage in the Soviet rulers' long march toward the difficult insight that, contrary to their primitive conviction, a premium on rudeness is not always awarded by history. It is perhaps because of this nearing insight that the Politburo has resorted more thoroughly than ever to a soft style—which has, to be sure, several well-known antecedents, but whose quantity, in the cliché of dialectics, this time makes for several novel qualities. In doing so, it seemed until the late summer of 1973 that the Soviet rulers might increase not only the chance of obtaining the economic benefits they are after, but also the probability of making the sharp political gains that eluded them in their earlier pursuit.

Since the time when the pages to follow were written, in mid-1973, the chain of reactions initiated by enhanced repression (noted below as a component of the new Soviet stance) and intensified dissent in the Soviet Union has reduced the effectiveness of the Politburo's soft style in foreign relations, though it has at the time at which I add these remarks (mid-October 1973) not impaired the Soviet rulers' obstinate (*nasforchivo*) resolve to persevere in their "24th Congress" line, presumably expecting that their lack of response to Western "provocations" (now, as I shall note, called that more in private than in public) will permit their policy to outlast what they may predict to be a flurry of Western orneriness, as well as contribute to its cessation.

Rather than attempting at this point to take account in full of the changes that have occurred since mid-summer, I shall—while not eschewing references to them—analyze the situation of around the time of Breshnev's visit to this country. This is not mere history. The attitudes then prevailing, while momentarily overlaid by the sensational irruption of returns to older reactions, have not become negligible; in fact, they may become dominant once more in a not remote future.

To bring out how much Soviet style has changed within a few years, one might recall an incident forgotten, I would surmise, by most of those who were not professionally concerned with it. In March 1969 the Warsaw Pact issued another call for a conference on European security. "The Budapest appeal," Harlan Cleveland, then U.S. Ambassador to NATO, recalls, "was better dressed than at its earlier debut, wrapped in the chilliest of cold war accusations against the West, at a Bucharest meeting in 1966." In the month following the Soviet move, the North Atlantic Council was to celebrate in Washington the twentieth anniversary of the Alliance. Some of the foreign ministers assembling for this occasion were, Cleveland remembers, "sorely tempted" to respond favorably to the Pact's appeal: an important move of the Politburo seemed to be about to make significant progress. Had nothing more happened on the Soviet side, the same participant-observer conjectures, "The Ministers . . . would probably have . . . [mentioned favorably] the Budapest appeal in their final communiqué." But then

. . . as a prelude to the . . . meeting in Washington, which had been publicly scheduled for months, the Soviet Navy conducted in the Atlantic . . . the largest naval exercise they had ever put on there . . . [and] nearly all of these ships after the maneuvers passed through the Straits of Gibraltar to bring the Soviet Mediterranean Squadron up to . . . [its] greatest strength. Then

... the day before the NATO session ... a ... statement [was] ... issued by the government of the Soviet Union—berating the Alliance ... in language reminiscent of the early 50s.

The Ambassador remembers:

The Soviet statement fell like a great stone into the Ministerial meeting. The ... test first became available ... from Agence France Presse. ... I watched the AFP ticker item hit the ... delegations, passed from Minister to Minister with whispers of shock and disbelief. I could almost feel the temperature drop. ... Why, I asked myself, do the Soviets so often slap the West across the face with a dead fish just when ...?¹

Some members of the Soviet ruling group may have asked that old question (no doubt not even novel to them), this time more insistently, of themselves and their colleagues; and the ensuing resolve to reform may have been more genuine, effective, and enduring even in the face of "provocations" such as those offered by the West in the summer and autumn of 1973.

One reason, I would surmise, was the sharp change, during the preceding years, in the military balance in the Politburo's favor. Among the several beliefs that made up the traditional Bolshevik faith in the efficacy of rudeness, the most ingrained, I would conjecture, was their conviction that when one apprehends that an enemy endowed with military superiority may attack, defeat, even annihilate one, an intensely hostile tone toward him is an indispensable element of one's arsenal for dissuading him from using his superior potential. As that potential disappeared, the other beliefs favoring a stance of hostility—e.g., its alleged usefulness for making advances—could perhaps be examined in the light of accumulating and hardly supporting experience.

In any case, Politburo behavior from 1971 on leaves little doubt on this point. A majority in the Politburo has greatly increased its awareness that there are many situations where one most fully "utilizes" another's weakness not by pressing against him, but rather by giving him a semblance of support; many circumstances where one maximizes the probability of a desired change, again, not by pressing for it, but rather by appearing to find the status quo livable, while suggesting that there might be something better in the direction in which one had been vainly straining. Thus the Politburo has seemingly discovered that, for a while at least, the most effective way to work for our removal from Western Europe is *not* to work for it.

From its origins until a recent date, the Politburo had taken it for granted that the optimal moment to counterattack is the earliest one; and the mode in which to do so, in kind—only more strongly. They now know better. For instance, influential Americans have, as we have seen at length, accompanied their acceptance of our new economic closeness to the Soviet Union with public forecasts of "political gains" therefrom; forecasts both, no doubt, expected by the Politburo and repugnant, even frightening, to them. In cruder times, Moscow would have responded with blasts to hope. This response, however, would have reduced our enthusiasm, and perhaps moderated our offers.

Now they do it differently. They have resolved, I would surmise, to start with the stance that their major countermeasure against our real or imaginary penetrations should be a latter-day application of Lenin's dictum at the introduction of the NEP in the late winter of 1921: we can allow a strengthening of bourgeois and petty-bourgeois elements in city and countryside on condition of putting the Mensheviks in prison. (This saying, I feel confident, has been frequently heard in office conversations among Moscow influentials, 1972-1973.) The advice was acted on in

1921, and it has been acted on again, well before the matter became prominent in the summer of 1973. As to the changes in Soviet economic organization called for by Americans,* the Politburo has proved capable of not budging (while hardly rebuffing), of not permitting itself to be victimized by the high visibility that both their previous "relaxation" (minute though it was) and their recent "tightening" (limited though that was, too) afforded to the few dissenters who had been incautiously permitted to accumulate merit abroad. According to a Western analyst writing in the spring of 1973, the latest plans for industrial reorganization then developed in Moscow took a hard line on the monopoly of foreign trade, and there has been a shift on the issue of the ruble's convertibility with Western currencies from "vague and occasionally accommodative formulations" to "outright rejection."² At the same time—this is my point—rebuttals to numerous declarations that a main U.S. objective in intensifying economic relations with the Soviet Union is to accomplish what the Politburo no doubt calls, within its walls, the "restoration of capitalism" there—such rebuttals have been infrequent and sober. Without this sort of response, the atmosphere in the United States would not have developed so favorably toward the Soviet Union as it did until recently—a condition that, it may seem to us, was easy to fulfill, but that, I submit, came hard to the Soviet Union.

It is rare to see the traditional standard virulence in verbal counterattack perpetuated, as when we read that "a significant section of the U.S. *bourgeois* press . . . cynically referring to the agreements reached in May 1972 . . . are *essentially* demanding for themselves a 'free hand' for ideological *diversions* and *provocations under the guise of* 'extending contacts,' the 'free exchange of ideas' and so forth."³ In the more restrained style now in the ascendant, taking a view more broad and more serene, it will be recalled that "the history of the Soviet Union's economic relations with other countries shows examples illustrating the attempts of imperialist circles . . . to launch *unfounded* attacks on the foreign trade monopoly . . .," even "to use trading channels for purposes *hostile to socialism*."⁴

Going even farther, these circles "spare no effort to circumvent . . . [the foreign trade] monopoly . . . to establish direct trade contacts between capitalist firms and individual Soviet enterprises."⁵ But such alleged penetrations are merely met by recalling that "the importance of maintaining . . . the foreign trade monopoly was repeatedly emphasized . . . by the Party's leading bodies,"⁶ that it "is *of course absolutely unrealistic* to make the development of economic cooperation between the USSR and the capitalist world dependent on a change in the . . . foreign trade mechanism of our country."⁷ Indeed, the foreign trade monopoly arises "from the socialist ownership of the means of production and the planned nature of the socialist economy."⁸ This monopoly is required even more (in Bolshevik sensibility, something already totally commanded can always become even more so) when the Politburo's economic policy bears some resemblance to the NEP. One is reminded of the ancient resolution (by the 13th Party Conference of early 1924) that demanded the maintenance and strengthening of the foreign trade monopoly "particularly in conditions of the . . . NEP . . . [also] as an instrument to protect the country's wealth from being plundered by . . . foreign capital."⁹ Such is the new moderation in counterattack, a moderation strikingly exhibited in the late summer and early fall of 1973 by the tone of restraint with which Soviet leaders and media (no doubt following a directive from the top) responded to the highly unexpected and offensive (in both senses of the word) Western moves against them which then emerged and developed.

Counterattack may even be—an unheard of thing in the past—withheld altogether when it plainly appears to be harmful as in the case of Sakharov's attack

* See Sec. III.

against the regime. The latter proved capable of switching over to silence when the mounting intensity of the dissenter's onslaught evoked a rising response abroad. Or counterattack may be renounced from the start, and replaced by more than silence, the transmutation of real enemy into pretended friend. Take a minor but significant case, the Soviet treatment of the American pronouncement that perhaps went farthest in envisaging the new economic era as an instrument of political penetration. The reader may recall the forecast made by Hardt and Holliday that in the new epoch, to cite the close paraphrase of *The New York Times*, "the Soviet Union . . . [might] allow foreign companies to have more *[sic]* influence on its decisionmaking" (June 10, 1973). Now, apart from this frosting on the cake, much in the report—though it assesses the potential for economic gains for the United States as small—favors recently projected developments on grounds acceptable to the Politburo. What that body—through the formal or informal directives issuing from it—has now added to its already respectable arsenal is the capacity not to react at all to (merely verbal) hostility, but rather to use all the congenial elements that compose that hostility in a compound that now can be thoroughly decomposed:

The report gives an all-round appraisal of . . . the authors of the report note . . . the report admits . . . the authors of the report point out . . . the report refutes . . . the authors of the report point to . . . the report stresses. . .

—all verbs devoid of badness and hence reserved in Soviet language to introduce affirmations that share that property.

As to the black aspect of the piece, it is being whitened by a procedure already observed in operation above, the use of words that cover the bad with the good: The authors of the report believe that . . . trade would bring . . . *political* advantages too.¹⁰

From its beginnings until a recent date any given stance of the Politburo was apt to be dominated by the combat it was conducting against its enemies of the time. It has now become capable of, and is in fact, doing otherwise. For the Politburo (by which, in such a context, is always meant, of course, a majority of its members) may have sensed that the very prevalence of high hostility (*never mind against which targets*) in its public posture rendered more plausible its enemies' allegation that, despite its protracted protestations and prolonged inactions, it was still bent upon political-military aggression. On the other hand, pervasive *mildness* in public stance might undercut such suspicions; it might even dominate, in Western perceptions, a simultaneous raising of military posture, which, if accompanied by the earlier disagreeable tone of voice, might have turned out to be starkly impressive. As it is, few in the West outside the limited circles of military specialists and last cold warriors have been impressed by the recent changes in the military balance favorable to Moscow.

For example, instead of conveying, if not declaring, that one expects enmity, one now avows the contrary. "I've seen your picture in the paper," declares Brezhnev when meeting Senator Church, "and I always thought, from your face, that I'd like you." According to the journalist who reports this, the Senator is "delighted."¹¹ Stating what is already obvious and still surprising, an observer (John Newhouse) in *Foreign Affairs* (January 1973) notes that "the Soviets . . . are challenging neither NATO nor the . . . European Community" (p. 356), after a quarter of a century of making only limited progress with an unremitting stance of hostility. Instead of continuing their traditional presentation of these entities as dangerously evil, the Soviet rulers are now content with suggesting—more in sorrow than in anger, more in regret than in sorrow, more in hope of progress than in regret—that without these organizations things would be (even) better than they are. For the Politburo has

finally understood that such mellowness is more damaging than their traditional pushing and pulling. "In accepting the Common Market," Newhouse discerns—a maneuver that may seem routine to us but that comes hard to them—"Moscow hopes to blunt any incentives . . . to develop comparable political and defense institutions."¹²

Enemies may still be presented in the older vein. Thus, according to *Kommunist* in the spring of 1973, "the opposition to detente . . . still has substantial reserves," so that "it is indispensable to exercise unceasing vigilance (*bditel'nost'*)"—a dread word still connected with the liquidation of Party cadres by Stalin—"and to be ready to repel any schemes (*proiski*) of the aggressive . . . circles of imperialism."¹³ To be sure, in the late summer and early fall of 1973 this presentation of the West increased, as already noted, but only in moderate response to what was no doubt to the Politburo an unexpected Western counteroffensive instigated by Western top levels. But prior to this what was in the ascendant, particularly in the domain under discussion, was a more harmless enemy: Jackson-Javits-Meany, whose wickedness then appeared to be dwarfed by the futility of their endeavors. In earlier times, any enemy of the Politburo, however limited his power, was apt to be judged as a potentially grave danger to be countered fiercely. The regime's present difficulty with a few famous dissenters may show what happens if every effort is not made to stop the rot at the start. "As influential and active as the anti-Soviet forces in contemporary America may be," remarks a Soviet journalist in non-standard and contrasting fashion, "it becomes ever more difficult for them to oppose the wish of Americans to . . ."¹⁴

Yet further reducing its initial ascription of enmity to most sectors of the world not controlled by it, the Politburo has accelerated the process of *entering into* innumerable activities from which they had earlier held themselves aloof—a stance that had magnified the impression of hostility they conveyed. Just as the Party used to proclaim itself of "a special kind," so did the Soviets at large. Now, while they maintain, though in less shrill fashion, an assertion of unique excellence, they have taken further strides in transmuting their appearance from that of forbidding and menacing loners into that of omnipresent and at least tolerable joiners. To use the vocabulary of Trotskyites (discussing on whether to remain by themselves or to go where others are, so as in the end to dominate a larger sphere), the Politburo has considerably enhanced its degree of "entrism." "Ties (*svyazi*)" with the West, rather than mere "relations (*otnosheniia*)," have in the Party's public stance become one of those strived-for goods, such as the "ties" of the Party with the people. Such ties, their multiplication and tightening, are now no longer commonly presented as directed against a specific person, nor even as in the service of a particular objective; they rather appear (in another striking departure from the previous disposition to view the present as merely a means to a transfigured future) as ends in themselves. That there have been, according to Newhouse, "more contacts between the two halves of Europe in the past three years [1970-1972] than in all the preceding years since World War II"¹⁵ may indeed be something which the Politburo in private receives in unmodified Bolshevik fashion—as a means to more power, and a gloriously economic one—but which it publicly welcomes for its own sake (an obvious condition for the new conduct being productive). The new relations between the United States and the Soviet Union, Brezhnev exults on American television, "are all becoming part of the daily lives of the [two] peoples."¹⁶ At the same time his minister of foreign trade makes a joke—innocent, yet perhaps also revealing that means have not really become ends in the Kremlin: "I am a devout supporter," the old Bolshevik Patolichev quips in the Blair House, "of more contacts, contacts, contacts which would bring more contracts, contracts, contracts."¹⁷

The Politburo has learned to cater to the American belief in a direct relationship between the number of "constructive" agreements we are signing with a country and some desirable quality of our relationship with it. That the trend away from confrontation is in the process of becoming "an established pattern" is, to the Under Secretary of State for Economic Affairs (William J. Casey) indicated by "the impressive *number*" of agreements signed in Peking and Moscow in 1972 as well as by the prospects of *additional* ones."¹⁸ Brezhnev points out to Americans that these new agreements, when signed, together with those concluded during the past year, will "make up *an impressive file* of documents on cooperation in some widely ranging field."¹⁹ Such emphasis discourages conjectures on the amount and direction of that file's impact.

And then there are institutions. Completing their entry into the pre-existing ones and becoming charter members of numerous new ones in which the present higher level of cooperation is embodied, the Politburo undoes what it probably regards as two of the great Stalin's mistakes, the refusal to enter into the "Marshall Plan" organizations and the absence from the central bodies of the United Nations at the time the war in Korea broke out.

On the occasion of the 22nd Washington State International Trade Fair held in Seattle during the summer of 1972, the Seattle-King County Economic Development Council, one of its members reports, arranged numerous activities for the 80-member Soviet delegation "so they could become better acquainted with our area and its business leaders"—a cocktail reception, a formal dinner, to be sure, but also "individual visits to American homes by the Soviets." Another effort by Americans to multiply contacts? Not quite, because all this was done "at the request of the Russians."²⁰ While it is not certain that we have converted Soviet officials to our taste, it seems plausible that those higher authorities in Moscow who presumably requested their emissaries to request lots of personal contacts with Americans have become aware of our proclivities; or, rather, have finally understood the importance of "utilizing" them. "To live at peace," Brezhnev tells Americans on television, expressing a belief that is more surely theirs than his, "we must trust each other; and to trust each other, we must know each other better."²¹ Whatever the Politburo's scepticism, or worse, as to whether this is true, they appear to have yielded to the awareness that these are beliefs of ours which are not neglected without cost.

All of which may have seemed to the Soviet rulers, until a very recent date, noticeably cost-effective. For one thing, the Politburo was not challenged, until the mid-summer of 1973, on its accustomed degree of control within its domain. For another, it maintains, or improves, its military posture—a matter on which it has not yet been seriously queried. Furthermore, it enhances the importance of those in the West whose economic stakes in transactions with the Soviet Union may make them averse, say, to economic sanctions against a politically or militarily forward Politburo. The latter is probably coming to appreciate more fully the impact of *short-run* interests of *particular* sectors within the "capitalist class" on the policies of a capitalist state that Bolsheviks used to idealize as the guardian of the *long-run* and *general* interests of that class. "It is not unreasonable," Ambassador Green remarks about what may be a similar situation, "for Chinese leaders to believe that U.S. businessmen who benefit from U.S.-PRC trade might influence American . . . opinion in ways that may be *mutually* beneficial."²² Would it not be even more reasonable for Chinese leaders to foresee that such influence would be *unilaterally* beneficial to them, for they would worry less about the possibility that Shanghai businessmen interested in U.S.-PRC trade would arouse Chinese opinion on behalf of their special concerns?

Finally, the Politburo's stance, again until a very recent date, contributed to

making any aversion toward the regime of the Soviet Union a familiar archaism comparable to a maintained reluctance to buy a Volkswagen; reducing the perspective that Moscow may come to dominate Western Europe to the fear that Bonn may become preponderant in its Western part. As *Pravda* recalls in the late spring of 1973, "the bankruptcy of frantic (*ogoltelyi*) anti-communism is a symptomatic event of our days."²³ No wonder *Kommunist* rejects "the frequent proposals of those who want to castrate the political meaning of the peaceful coexistence between countries with different social systems, replacing it by 'purely' economic, scientific, cultural information and tourist aspects."²⁴ The essence is the weakening of anti-communism. "Stable economic ties," thus runs a standard theme expressed by the Soviet top level itself, "are exceedingly important . . . from the point of view of creating favorable conditions for the solution of . . . international problems."²⁵ Decoded: "the recent extension in commercial and economic ties between socialist and capitalist countries in Europe has acted like a torpedo on 'cold war' policies"²⁶—the latter term, of course, being Moscow's designation for all policies noticeably deviating from those proposed by itself.

During what may be privately viewed as a second NEP, it is appropriate (I have already given examples) to quote from the first. "What is at the bottom of our improved international position," the People's Commissar of Foreign Affairs said in early 1924, "is . . . especially our improved economic ties with all countries."²⁷

While we may see behind the Politburo's changed stance "the Administration's patient efforts to bring . . . the Soviet Union . . . into closer contact with the . . . world,"²⁸ the Politburo may have a lower estimate of the influence that we exert on them. Indeed, it may, with whatever degree of lucidity, be aware of having progressed in insight and proficiency on the matter of how to handle *us*.

Notes

1. NATO: *The Transatlantic Bargain*, New York: 1970, pp. 155-159.
2. Henry Schaefer, Radio Free Europe, report of May 24, 1973, p. 26.
3. Y. Nikolayev, *Mezhdunarodnaia zhizn'*, No. 5 (1973); FBIS, May 24, 1973, p. G9; emphasis added.
4. I. Kovan, *Foreign Trade*, No. 4 (1973), p. 2; emphasis added.
5. *Ibid.*, p. 8.
6. *Ibid.*, p. 3.
7. *Ibid.*, p. 8; emphasis added.
8. *Ibid.*
9. *Ibid.*, p. 3.
10. Radio Moscow in English, June 10, 1973; FBIS, June 11, 1973, p. G7; emphasis added.
11. R. W. Apple, Jr., from Washington, June 19, 1973; *The New York Times*, June 20, 1973.
12. *Foreign Affairs*, January 1973, p. 359.
13. V. Gantman, No. 7, p. 40.
14. M. Fedorov, *Novoe vremia*, No. 21 (1973), p. 19.
15. *Foreign Affairs*, January 1973, p. 353.

16. June 24, 1973; *The New York Times*, June 25, 1973.
17. June 22, 1973; *The New York Times*, June 23, 1973.
18. April 27, 1973; Department of State Bulletin, May 21, 1973; emphasis added.
19. On American television, June 24, 1973; *The New York Times*, June 25, 1973; emphasis added.
20. Merle D. Adlum, *The American Review of East-West Trade*, November 1972, p. 33.
21. June 24, 1973; *The New York Times*, June 25, 1973.
22. "U.S. Trade Prospects with the PRC," Department of State, December 1972; emphasis added.
23. Y. Glukhov and P. Demchenko, June 7, 1973.
24. Gantman, *op. cit.*, p. 40.
25. Kosygin to the Supreme Soviet, November 24, 1971; FBIS, November 26, 1971, p. 14.
26. Vetrov and Kazakevich, *op. cit.*, p. 10.
27. Quoted by I. Kovan, *Foreign Trade*, No. 4 (1973), p. 3.
28. James Reston, *The New York Times*, June 22, 1973.

IX. WE ARE JUST ANOTHER EUROPEAN COUNTRY

Talking to Germans about economic relations between the Soviet Union and the FRG, Moscow may observe, recalling the bad fifties and the still unsatisfactory sixties, that "the trade volume between *the two most important European industrial states* could not be compared with. . . ."¹ *International Affairs* reports the signing of contracts under which "France is to participate in building *Europe's biggest automobile works* at Naberezhniye Chelny. . . ."² "The great European powers, be they socialist or capitalist . . .," says a prominent intellectual.³ Of course, "the consultations . . . in Helsinki [are] between 32 *European states*, the United States and Canada."⁴

It is in such passing fashion, when speaking in some detail about, for instance, economic connections between the Soviet Union and Western Europe that the Politburo attempts to have the idea sink in that the Soviet Union is as European as Belgium. Having started as "one-sixth of the world" related to communists everywhere in the other five, the Soviet Union has come home to "*our continent*"; which, agreeably, "accounts for one-fifth of the world's population, 47 percent of national income . . . 55 percent of the industrial output on our planet . . . [and] almost half of the world's scientists and researchers."⁵ What I have illustrated is a more effective way of rejoining Europe than emphatic assurances that the socialist states have "the interest of all European nations at heart,"⁶ or the call for "a new Europe—a Europe of trust and cooperation."⁷ Of course, here as elsewhere, the theme as such is far from new; but the modes of conveying it, together with the changes in actual relations, seemed—at least until the summer of 1973—to give an old approach greater impact.

Demands for the "economic integration of East and West Europe"⁸ are now elaborated with a specificity that used to be reserved for East Europe alone. There are "at the present time," a Soviet analyst explains, "in the West as well as in the East of Europe some national industrial complexes which comprise, if not all, then a considerable fraction of the branches of contemporary industry." This has "evident negative consequences" such as "the presence of many . . . duplicating and relatively small-scale productions and enterprises in the various countries"; a "structure" which in its turn is "a consequence of enduring political tension," and hence is now obsolete. In contrast, "Europe's economy might (*mogla by*) have a considerably more unified (*kompleksnyi*) character"; it could in fact be "based on the complementary structure of the economies of her various states." Specifically, "socialist and capitalist countries might develop particular branches and productions," which would be "calculated to satisfy each others' needs during a long period."⁹

The complement to pan-European specialization is "all-European projects," which Moscow has been proposing for some time: "The creation of a single energy system," "the construction of a European network of pipelines," "the development of various forms of communication,"¹⁰ "the organization of transcontinental freight carriage," "the . . . utilization of sea and ocean resources"¹¹—standard points. It is in comparison with pan-Europe that the separateness of Western Europe is presented as disadvantageous. It would not be optimal to isolate that "sub-region"¹² from Eastern Europe, nor to "reinforce the economic dissociation (*razobshchennost'*) between socialist and capitalist countries" in Europe—which is, however, what "the policy of the Common Market is objectively* directed" toward.

* Now the mildest reproach. Shmelev, *op. cit.*, p. 15.

Only rarely and lightly, in keeping with the stance of having almost no enemies, will it be noted that "paneuropean cooperation . . . would permit, among other things to liquidate the retardation [sic] of Western Europe with regard to the United States of America."¹³ And I have seen no recent call for the reduction of our influence in pan-Europe: the less pressed, the better achieved.

Notes

1. Moscow Radio, May 18, 1973; FBIS, May 21, 1973, p. F24; emphasis added.
2. L. Pronyakova and V. Yermakov, December 1972, p. 110; emphasis added.
3. N. Inozemtsev, *Europe 1980* (Leiden and Geneva, 1972), p. 123; emphasis added.
4. Y. Nikolayev, *Mezhdunarodnaia zhizn'*, No. 5 (1973); FBIS, May 24, 1973, p. C6; emphasis added.
5. Pronyakova and Yermakov, *loc. cit.*; emphasis added.
6. *Ibid.*
7. N. Shmelev, *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 1 (January 1973), p. 15.
8. Inozemtsev, *op. cit.*, p. 136.
9. Shmelev, *op. cit.*, p. 14.
10. *Ibid.*
11. B. Pichugin, *International Affairs*, February 1972, p. 14.
12. Inozemtsev, *op. cit.*, pp. 126-128.
13. *Ibid.* p. 130.

X. FURTHER COMMENTS ON THE WESTERNIZATION OF BOLSHEVIKS

Throughout my discussion of the Politburo's responses to the new economic togetherness, I have suggested how its current stance is related to changes in beliefs about the world and about ways to get ahead (as well as to protect oneself) in it. My emphasis has fallen on how much better operators the men in the Kremlin have become, at least with regard to the West—seeing us more as we really are, at the expense of previous beliefs. These beliefs, while not always explicitly stressed components of Marxist-Leninist doctrine, were always obscurely and strongly connected with it. So the increase in realism of the Politburo is likely to be one aspect of a process, of which another is a reduction in faith—hence, in drive. Which will be the larger, the increase in productivity or the decrease in energy—in 1973, 1978 . . . ? The considerable unused potential for productivity in the Politburo, say as of 1958, will, I would surmise, soon have been fully put to use; while the reduction in energy from the underlying loss of faith may have proceeded slowly and may continue to do so for a long time. Were all this the case, the Politburo may be more redoubtable in 1978 than in 1988, while I would judge it to be a stronger adversary (keeping resources constant) now than it was in 1968.

Much in Soviet views and style, of course, remains unchanged: from the insistence that the West, so far as it is disposed to extend its economic-technological relations with the East, is “forced” to do so by its own difficulties and failures, to the inability to yield pride of place. What “people will long remember” is “the labor exploits of the *Soviet and Egyptian* workers who built. . . .”; “Aswan is . . . [a] victory of two people— *the Soviet and the Egyptian*.”¹

But there is an enhanced capacity to refer to an unfavorable past without stressing the West's responsibility for it. West Berlin thus becomes just one of those “problems that have several times been the source of dangerous crises and conflicts.”² There is also an increased disposition to proclaim limited aims—e.g., mere “limitations on the arms race.”³ When “the cause of disarmament” is put forward, it is at least preceded by “the cause of limiting the arms race,”⁴ thus giving high dignity to a circumscribed objective.

Where “class interests” once reigned alone, several aspects of soul and mind may now also be considered. Some of “the causes (*prichiny*) arousing tension in Soviet-American relations” now appear as “not at all (*otnyud'ne*) of objective character.” For “a significant (*nemaloe*) influence on international relations is exercised by the forces (*sila*) of prejudice (*predrasudki*), lack of culture (*nevezhestvo*) and understanding (*neponimanie*).”⁵ To be sure, these forces are located entirely in the United States; yet it is novel that they are recognized as non-negligible aspects of life.

One may go farther and acknowledge in oneself, as in the rest of mankind, the operation of an identical factor. For one Soviet intellectual this may still be the distinctive defect of the other, as when one discerns that “the desire [of foreign businessmen] to insist on control [of enterprises in the Soviet Union] as the only way to ensure . . . profits looks . . . like an *inertia* of thinking [as the Soviet government is willing to guarantee profits while refusing control].”⁶ But, for a colleague of his, the traditional Russian theme of “inertia” is not limited to foreigners: “not always,” he discovers, “can we [men given to thinking] . . . fully appreciate . . . the importance [of this or another event]— *our human nature, the power of inertia* . . . account for that.”⁷

Apart from interests, the means created to serve them may become powerful in their own right: "the arms race itself," rather than conflicts of interest within "imperialism" and between it and socialism, "has become one of the most dangerous . . . threats of war."⁸ So far from "classes" always being masters of their instruments, the latter may escape from the hands of their users. "Even if they [states] do not deliberately want a world thermonuclear war," their "conflicts . . . may get out of control and make a war unavoidable."⁹ More generally, "the difficulties (*slozhnost*) in Soviet-American relations . . . derive . . . in part from factors which are far from always controlled by the policies of both governments."¹⁰

Rather than the state being the "executive committee of the exploiting class," numerous influences now are perceived as impinging on it. "Lenin," it is discovered, "urged a careful study of the arrangement of forces in the U.S. domestic political arena," "a differential assessment of the various political groupings." He, in fact, "stressed the need to reckon with the different shades in the approach by . . . U.S. public circles to . . . Soviet-American relations."¹¹

If such a "shade" does not express itself in U.S. Government decisions immediately, it may still do so later. When soon after the coming into existence of Soviet power "sober-minded politicians, business and public figures" began advocating "cooperation with Soviet Russia," it is true that "at the time these voices did not carry very far," that they "did not yet have enough sway crucially to influence . . . U.S. foreign policy." But for all that "it would be wrong"—perhaps a mistake committed by the Politburo in the past?—"to discount their impact on U.S. public opinion."¹²

While groups whose impact formerly might have been underestimated, because they were not counted among the "ruling class," are now taken more seriously, it is henceforth also recognized that membership in that "class" does not guarantee instant influence. When the U.S. Government at the end of 1971 changed "certain elements" of its economic policies toward the Soviet Union, "the discussion of these questions in the press and at conferences . . . once more demonstrated how considerable was the rift . . . between the moods of business circles [presumably desiring farther-reaching changes] and the country's . . . trade policy." At this point, perhaps afraid of his audacity, the author assumes the cost of a non sequitur for the benefit of ending with orthodoxy: ". . . [this] showed the pressure which business circles can nowadays bring to bear on the government."¹³

The asserted conflict between capitalism and socialism ceases to dominate each and every aspect of the world. "The difficulty (*slozhnost*) of the problems dividing the two sides," it may now be said about the Soviet Union and the United States, "even apart from (*ne govorya uzhe ob*) ideological differences . . ." That this manner of reference is a singular advance is indicated by a rapid withdrawal: "The difficulty of Soviet-American relations is to a considerable degree explained by the fact that they represent two opposed social systems."¹⁴ But the retreat is only partial: "to a considerable degree" is considerably less than the orthodox adverbial "totally," which was so taken for granted in the past that it would typically not be uttered, but rather contained, in such a sentence, in the word "explained."

The Bolshevik restriction upon the word "revolution" as referring only to the socio-political domain is abolished: Brezhnev and Kosygin render mandatory the locution "the contemporary scientific and technological revolution." That word "revolution" may even become the only current one: "by combining the advantages of socialism with the achievements of the scientific and technical revolution."¹⁵

"Forces of production"—depending on science—gain in weight over "class relations." As to promises to provide the American people with guns and butter simultaneously, "even such a *rich country* as the U.S.A. has proved unable to accomplish

this task."¹⁶ When it is pointed out that "only 7 percent" of American gross national product is absorbed by military expenditures, "account should be taken of the fact that *the fraction of the national product remaining after expenditures of absolute necessity*—and hence available for improvements, reforms, social needs—is not that large (*ne tak uzh velika*)."¹⁷ "Of course," one may now begin, "technical questions are not of decisive significance," and then continue: "but much is often determined by them."¹⁸

Questions regarding all of mankind—where, earlier, capitalism would have been affirmed to be contrary to the interests of humanity and socialism to be consonant with them—may now make for possibly harmonious cooperation between the two social system. Thus, the conclusion of the Soviet-American agreement on the protection of the environment is, according to one Soviet analyst, "the first step on the path of combining the resources of various countries for the solution of a problem concerning all mankind."¹⁹ So the profit motive no longer seems to pollute by an order of magnitude more than the humanistic motives of socialism. (Imagine what would have been said about the radical differences between "capitalism" and "socialism," had ecology been prominent in 1948.)

Wanting to be nice when meeting with representatives of the "other social system," Soviet representatives have begun to use their interlocutors' word "market economy" instead of their own, "capitalism"²⁰—a concession requiring the violation of one's own sacred (or what used to be that) vocabulary. For Marxists learn in Party grade school that there are two kinds of market economies: the "simple production of commodities (*einfache Warenproduktion*)," where producers own their means of production, and "capitalism," where they do not. Calling capitalism a "market economy" would thus, until the present, have been an act of hiding its obnoxious essence.

For Marxists, whose panacea is the abolition of private *property* in the means of production so as to abolish *profit*, the two are indissoluble. In this respect foreign concessions in the twenties were easy, granting both.²¹ As of the present, Moscow is sticky on foreign property while forthcoming on profits; and now its spokesmen seem to feel no difficulty in separating what Marx had joined. True enough, one may begin, "setting up . . . enclaves of foreign property within the socialist economy is not allowed." But so what? "What is the . . . goal for an American businessman, *ownership* or *profits*? The latter, I suppose." Now, if profits "(at an . . . agreed rate) could be . . . *guaranteed* to him . . . to reinvest or to transfer abroad, what would be his reasons to be interested in . . . control?"²²

Enumerating Brezhnev's foreign trips in 1971, one may begin with Yugoslavia, proceed to two people's democracies (Hungary, Bulgaria), continue with a capitalist country (France), then mention another people's democracy (the German Democratic Republic). For Kosygin, one may start with a "progressive" county (Algeria), continue with one that is not (Morocco), then follow with a capitalist one (Canada), a socialist one (Cuba), and two more capitalist areas (Denmark, Norway).²³ But then "the strengthening of the unity . . . of the socialist countries" has become merely "an important section" of "our international activities."²⁴ And the entire Soviet Union may be seen as one big firm in a competitive market comprising the world: "The [24th Party] Congress pointed out the need . . . to raise the effectiveness of the USSR's participation in the international division of labor . . . so as to react quickly to the requirements and possibilities of the world market."²⁵

One may now admit (or discover) similarities between the "two social systems" which could not be avowed or recognized before. "The diversity of . . . [countries'] attitudes within the same system [capitalist or socialist]," a prominent Soviet intellectual observes, "is sometimes very marked." He even goes on to mention names:

"In the East as well as in the West of Europe there are countries which, while developing close political and economic relations with states possessing a similar* socio-political structure, nevertheless do not adhere to the military alliances to which their partners belong." To wit: "among the socialist states this is the case for Yugoslavia; among the capitalist countries, one may cite Sweden, Switzerland, Finland and Austria."²⁶ Why is it worthwhile, the reader may ask, to cite this Soviet mention of the evident? Because, I submit, Soviet spokesmen, dedicated in the past to the sense and the proclamation of a total difference between *them* and *us*, avoided wherever feasible (and it would have been easy here) any explicit acknowledgment of similarities. That the limits to the present permissiveness are not too wide becomes evident when the same Soviet analyst turns to the matter of "national security interests"—again accepting Western (American) lingo. Brezhnev informs American newsmen that his government refuses emigration to people connected with "what *today* is called national security"²⁷—and points out that such interests frequently lead to "important divergences" between states on "questions of reducing armed forces, limiting and prohibiting certain types of armament." But apparently this is the case *only* "among certain states of Western Europe."²⁸

When *similarities between* systems become speakable or visible, the same may happen to *differences within* each of them. Expressing a view on a crucial matter which has not already been stated in quite the same form by higher levels, a Soviet intellectual in contact with the West may now pretend (à la Victor Louis) or disclose—I would still presume the former—that he is "speaking . . . in a personal capacity and [sic] with a personal opinion."²⁹ Finally, one may even begin admitting disagreements within one's own domain. When a journalist of *Der Spiegel* asks Dzhermen Gvishiani, the most prominent and best connected young intellectual specializing in contacts with the West, whether "there are not people [in the Soviet establishment] who fear that if the Soviet Union participates in the international division of labor, it will become dependent on the world abroad (*Ausland*)," the reply is a proper one: "There is nobody among us who sees it this way." But, propriety satisfied, the new realism breaks through, though in Western high brow language, where one talks about intellectual processes rather than about what these might allow one to observe: "A few perhaps approach this problem on different levels (*Stufen*) . . ." Worse, such disagreements may have economic bases, making the homogeneity of socialism disappear: "on different levels, perhaps for some (*irgendwelche*) economic reasons." Having ventured so far, the innovator annuls what he has done by noting that the events to which he has admitted have no impact: "But there are no political obstacles in this domain in our country!"³⁰

* Shocking—one would have expected "the same." There are only two.

† Both the flimsiness of the pretense and the magnitude of the change require repetition.

Notes

1. *Foreign Trade*, January 1972, p. 5; emphasis added.
2. G. A. Arbatov, *S.Sh.A.*, November 1971; *The Current Digest of the Soviet Press*, January 18, 1972, p. 2.

3. *Ibid.*
4. *Ibid.*, p. 3.
5. G. A. Arbatov, *S.Sh.A.*, February 1972, p. 29.
6. I. Ivanov at the Conference sponsored by Stanford Research Institute and the Institute of World Economy and International Relations, April 1973 (mimeographed), p. 15; emphasis added.
7. N. Inozemtsev, *Europe 1980* (Leiden and Geneva, 1972), p. 2; emphasis added.
8. Arbatov, *S.Sh.A.*, November 1971; *The Current Digest of the Soviet Press*, January 18, 1972, p. 2.
9. *Ibid.*
10. Arbatov, *S.Sh.A.*, February 1972, p. 29.
11. B. Svetlov, *International Affairs*, February 1972, p. 16.
12. *Ibid.*, pp. 15-16.
13. S. Shvernev, *S.Sh.A.*, April 1972; FBIS, May 3, 1972, p. G7.
14. Arbatov, *S.Sh.A.*, February 1972, p. 27.
15. N. A. Berdinnikov, *S.Sh.A.*, November 1972; JPRS 57659, p. 5; emphasis added.
16. Arbatov, *S.Sh.A.*, November 1971; *The Current Digest of the Soviet Press*, January 18, 1972, p. 3; emphasis added.
17. Arbatov, *S.Sh.A.*, February 1972, p. 28; emphasis added.
18. Shvernev, *op. cit.*, p. G11.
19. N. Shmelev, *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, No. 1 (1973), p. 15.
20. E.g., Ivanov, at the SRI/IWEIR Conference, p. 4.
21. For the Politburo's inclination to resume that arrangement, see statements made by Deputy Foreign Trade Minister V. S. Alkhimov according to Victor Zorza, *Chicago Sun Times*, April 5, 1973; and G. Bazhenov, *Mezhdunarodnaia zhizn'*, No. 3 (1973), pp. 94-95.
22. Ivanov, at the SRI/IWEIR Conference, p. 14; emphasis in the original.
23. *Foreign Trade*, January 1972, p. 3.
24. *Ibid.*
25. *Ibid.*, p. 2.
26. Inozemtsev, *op. cit.*, pp. 123-124.
27. June 14, 1973; *The New York Times*, June 15, 1973; emphasis added.
28. *Ibid.*
29. Ivanov, dissociating property and profit at the SRI/IWEIR Conference, p. 14.
30. *Der Spiegel*, 1972, No. 19, p. 73.

APPENDIX

Appendix

WHAT *THEY* MIGHT THINK OF WHAT *WE* SAY: IMAGINED VIEWS OF A SOVIET DISCUSSANT

As students of bureaucratic decisionmaking have impressed upon us for the past decade, governments are not unitary decisionmakers. If my hypothetical Soviet discussant, "representing" the ruling group in Moscow, and his opposite number in the West were taken literally in the paragraphs that follow, we would have passed beyond conjecture into myth (perhaps more with regard to the United States than to the Soviet Union). My excuse is, of course, first approximation. I fancy that a majority in the Politburo might be found for a majority of the reactions I imagine.

From this point on in the text, the operative pronoun referents are as follows:

We, our, us		the Soviet Union
You, your		the United States

* * *

Sometimes we agree with a point you make, but not with the consequences you draw from it.

- As our stakes in politically vulnerable economic transactions increase, we have an added incentive to avoid unpleasantness among us. But if and when important opportunities for advancement open up for us, we shall continue to prevent ourselves from degenerating—with the help of your constantly telling us that we are bound to—and shall therefore be prepared to assume the costs and risks of another bout of forward policy. All the more, as by then the Second NEP on which we are now starting may have run much of its course. (You—with respect to whom we have performed so many left and right turns—don't really believe our policies to be eternal, or to last for 40 years, just because we've said, or even contracted, so. Or do you?) Furthermore, your aid will have enlarged our resource base.
- We are like each other in many ways. Sure, we have always striven to emulate your efficiency (*delovitost'*); Stalin proclaimed it to be one of the two basic components of our style in 1924. The other component is "revolutionary sweep," which we are pleased you are so certain we have lost. So it doesn't follow that things between ourselves should be cozy in the long run just because in the style of day-to-day dealings we have more in common than with, say, older types in British and French ruling circles (the newer ones imitate you, in any case).

Also, we don't see why you should be so pleased about our having *efficiency* in common. Although it may then be more fun to deal with each other, we are sufficiently oriented on outcomes to be gratified when we find you unlike ourselves, less efficient (for all your pride in efficiency), blind—as in not perceiving the limits of our likeness. While the pleasure of the game is perhaps then reduced (not necessarily—there is joy in deception too), our chances of winning it are increased. Despite what we are both increasingly proclaiming, we at least

are old-fashioned enough to continue believing that our game remains largely—what do you call it?—zero sum.*

There are things you strive for (or say you do) which we take for granted, and from which, once again, you expect effects that we would not predict.

- You advocate contacts for the sake of mutual respect. But that already exists—and it goes perfectly well with our belief that it will ultimately be you or ourselves.
- We foresee much less clearly than some of you that either you or we will “lose control” in a crisis; should this happen, we do not believe that enlarging our non-critical relations at that point would have much effect.

Some means that you envision using for objectives we might not share would, in any case, be too weak to attain them.

- You imagine dampening conflict by enlarging on concurrent non-conflict—as if proper statesmen would allow themselves to be influenced by a spillover of feelings (what we call spontaneity, *stikhiinost'*), as if they were not capable of pursuing both high conflict and high collaboration at the same time.

There are means that you propose ostensibly for an end acceptable to us, but that we would suspect—because of your insistence on their benign employment—of serving a hostile purpose.

- Such as when you advocate enlarging upon non-conflict relations in a crisis, so as to convince us of your lack of aggressive designs—or perhaps to blind us to them?

Some among you announce that you are attempting to do things to us which we refuse and shall prevent from being imposed on us. These things we don't attempt to do to you, either because we don't want to or because we know we can't.

- Some among you want to come close to us so as to make us like you.
- And thus to make us resemble you.
- As well as to convert us.

There are other things announced by you in the same vein which we shall also prevent you from doing to us. These we would love to do to *you*, but we don't presume to be able to. They include:

- Making the other side more predisposed through personal contacts to keep and amplify contracts.
- Achieving wide and deep penetrations without explicit agreement by the other side.

According to you, certain symmetries are best for both of us. In our belief, certain asymmetries are feasible, being useful for us and harmful to you; these we strive to obtain and maintain.

- While according to you it is best for both of us to understand each other fully, we consider it most useful for us—as it has already proved (say, in 1942-1946)—that you be blind (with our help) about aspects in which we are unlike you. Hence, your statements about “the same human qualities” are just fine.

* This may indeed be old-fashioned in a world with not only nuclear weapons but also multipolarity (N.L.).

- The same goes for our liking each other (of course, we and you are only talking about feelings that inflect conduct). We however, have learned to provoke and sustain your liking us, without losing our ability to reciprocate (in the service of our ultimate goal).

You talk much about what you are little capable of doing to us—penetrating us (Part One, Sec. III)—while we say little about what we can and do achieve to a greater extent—overtly entering into all kinds of sectors and structures within you (Part Two, Sec. VIII). Your capacity is mildly degraded by your garrulity (our countermeasures would operate even if you talked less); ours is substantially enhanced by our silence (reducing your awareness of our strategy).

You continue to enunciate certain objectives without even deigning to mention that we refuse them:

- Such as when you propose changes in the organization of our foreign economic relations, while we have consistently declared our structures in this regard to be unchangeable.

You are in the habit of announcing that you are going to produce certain impacts on us which you should know to be unacceptable to us in content and in form (we don't like being influenced and, to boot, being told that we are going to be)—as if you were the masters of overwhelming forces about which we can do nothing. While we would in any case do much, the public nature of your stance reminds us (and for this we are obliged to you) to go to the limit in counteracting your designs:

- Your plan to make us increase, beyond our own intent, the fraction of GNP allotted to consumer goods.
- Your objective of rendering us attached in soul, rather than merely expediently conforming in conduct, to existing rules of international economic relations.
- Your device of having the structure of our economy converge with that of yours through the effects of a greater orientation of ours on exports as well as through the acceleration of growth, which we intend to achieve by utilizing you.
- Your intention of making us lose faith in our economic order through the importance to us of your economic aid.
- And of achieving the same effect through more education accompanying more growth, again owing to you.
- As well as through higher consumption levels.
- And through reduction in the material differences between life with you and with us.

However, we continue to believe that Bolsheviks can utilize whatever they choose, even Pepsi, without becoming the appendage of its source.