The goal of a peaceable restraint of Communist aggression could be pursued realistically only by a resolute coalition of free nations acting together in a spirit of responsible and far sighted self-interest. A passive or divided alliance, it is plain enough, cannot work consistently toward a high purpose of this kind—or any other purpose, for that matter. Instead, our present state of division only stands as an open invitation to the Kremlin to use its trade blandishments and thereby weaken the alliance by the injection of strong doses of commercial rivalry.

At the same time, it is also highly important that we begin to consider the position of the U.S. businessman more sympathetically than we have in the past. Our manufacturers and exporters have manifested a high order of loyalty and patience in consistently placing the national interest above their individual economic interest in the matter of East-West trade. We cannot blame them, however, if they are beginning to wonder precisely what positive purpose their policy of self-denial in this area is serving at present, under conditions where only the United States applies a set of rigorous criteria in withholding strategic goods from the Soviet. They see themselves deprived of a chance to sell certain types of commodities to the bloc, while the bloc countries are not deprived of the goods in question. Their competitors in other parts of the free world, governed by a different set of national export regulations, are quite free to export the same type of commodities.

We must be willing to face the fact that in the pursuit of an alinement of our position on East–West trade with that of our traditional allies in Western Europe, the United States will have to yield some points in regard to the definition of strategic commodities. In asking ourselves whether we can afford to pay this price to achieve a concerted trade policy, it is well to remember that the U.S. definitions, however fully justified by our own lights, at present prevail over a very small area (less than 10 percent) of NATO exports to the Communist countries.[5] Moreover, we must accept the proposition that the focal point in Western trade policy toward the bloc needs to be shifted, in response to the inexorable pressure of world events, away from short-term controls over current exports in the direction of long-term economic competition. While the danger of Soviet military aggression continues to be ever present, the Moscow leadership is fully aware that no cheap victories can at present be won by this route. Whenever it has been attempted, the Atlantic Community has demonstrated its

[5] See the following:

NOTE ON DISPARITIES IN EXPORT CONTROL PRACTICE

There is general agreement among the nations of the West that the Soviet bloc is basically self-sufficient in economic resources and, therefore, vulnerable only in the sense of being dependent with respect to relatively few types of materials and equipment which need to be imported from the outside. It has not, however, been as easy for the nations of the Atlantic Community to agree upon the precise types of materials, equipment, or technology that should be denied export licenses when requested for shipment to the bloc. The U.S. Government has generally favored a scope of control covering a more comprehensive list of export commodities than is considered necessary by our allies in Europe. Moreover, in cases where such a unilateral denial by the United States is considered likely to have a telling effect, our Government has generally favored taking embargo action. Inevitably, such differences in policy views and in licensing practice have tended to cause friction with the other industrial nations. Such friction occurs most commonly in cases where U.S. control considerations are indirectly extended to foreign corporations interested in exporting to the bloc equipment containing technology or component parts of U.S. origin.

Such divergence in views and practices has created, in effect, a double standard in Western exports to the bloc. Under such a standard, exporters in the countries of free Europe can ship to the Communist bloc types of merchandise that the American trader is not permitted to export. In addition, the standard in effect in the United States tends to be inconsistent, too. Because there is a wide area of administrative discretion in our export control operation, the same commodity may be refused for export to the bloc on one occasion and approved on another, depending on the prevailing climate of opinion. A prominent recent example of this type of inconsistency in licensing practice was the case of a shipment of ball-bearing machinery which was successively approved, suspended, approved again, and finally denied.