

I. THE HERITAGE OF THE PAST

PEARL HARBOR, THE COLD WAR, AND M'CARTHY REVISITED

No field of contemporary national policy carries a heavier burden of colorful, controversial, or connotative public utterance tending to coerce attitude and judgment than U.S. East-West trade policy: Scrap iron to Japan, trading with the enemy, strategic commodities, war material, Communist trade, slave labor goods, and Soviet dumping.

From the first overt legislative reference to East-West trade in the act of Congress authorizing the Marshall plan in the 1948-49 period, up to—but not including—the present debate on the East-West Trade Regulations Act of 1966, our official policies, private actions, and public dialogs have been dominated by the emotional reactions and apparent moral connotations of the seemingly perpetual state of East-West tension, hostility, and struggle. As a result there has been little ambiguity of public opinion in the United States during the past 20 years on this issue. And as the cold war has waxed and waned, to be succeeded by Korea, Cuba, and Vietnam in the roster of direct U.S.-Communist confrontations, the public posture of the United States has been steadfastly in opposition to "traffic with the enemy." For most of the period since World War II, therefore, there has existed in the United States a simple two-valued orientation: the Communist bloc was hostile to the West; therefore, trade with the East was at the least unwise—and at worst, treasonable or suicidal.

And, for much of the period, the general thrust of this attitude was justified. Although in many instances public attitudes were exploited and public and press sensationalism and congressional demagoguery were the overreactive concomitants to the more selective and restrained executive actions, diplomatic endeavors, and congressional mandates governing our relations with other countries, it was a fact that Soviet bloc trade policy in the post-World War II period constituted a significant threat to the security of the Atlantic community and other free world countries.

THE 1946-49 PERIOD: THE COLD WAR FREEZE

East-West trade controls, therefore, originated as an aspect of the cold war and have retained for the United States the form and spirit engendered by those times.

A vignette of that period shows the vengeful and illogical industrial dismantling of East Germany and the Soviet zone of Austria by the Soviet armies, partial looting along with political subjugation of parts of Eastern Europe, and the emergence of Communist attempts to penetrate the war-weakened West-European political and economic structures. This dynamic period saw the hardening of East-West distrust and the discord of wartime allied interests. East to West and then West to East, trade and economic intercourse slowly rebuilding in the wake of war was disrupted and most of that interrupted by the war was not actively resumed. In addition, extensive and worldwide networks of Soviet agents, black-marketeers, and international adventurers engaged in all manner of illicit dealings in so-called strategic trade items from West to East.