

heralding the polarity of other East-West political objectives and approaches yet to come. In this connection it is important to note that, whereas the action taken was to decontrol various so-called strategic items, the assertion by the NATO countries and Japan² was that it was important to liberalize trade as an instrument of positive policy in dealing with the Soviet bloc in the post-Stalin period.

1957-66: THE GROWING DIFFERENTIAL IN CONCEPT AND PRACTICE

Strategic Trade

The trade control gap between the United States and CoCom countries became wider throughout this long period. The differential level of multilateral controls regarding trade with Communist China and North Korea was rescinded in the multilateral strategic control program in July of 1957 although the United States, as noted, still maintains complete embargo. In 1958 another substantial revision (freeing-up) of the CoCom embargo list took place, without any substantial impact on U.S. unilateral policy. And while there were several subsequent additions and redefinitions of the lists, in each instance these actions have represented a tacit recognition by the United States that further agreement to a strict control level by the CoCom countries was not possible and that the shared scope of strategic controls would soon not extend beyond the obvious war materials and some of the new and more exotic industrial and scientific hardware and technology.

Such has indeed been the case—there has been constant net attrition and “updating” of the strategic lists. The multilateral definition of strategic has shrunk and become more concentrated on a concept of assuring a lag in technological development in fields related to modern warfare, in space missile and nuclear applications especially. Concepts of impairment of economic growth of the U.S.S.R. and the Eastern European countries by denial of general industrial exports has long since been abandoned. And denial of trade in hopes to cause economic disruption, greater cost of production, or inconvenient reallocation of resources in the Communist economies are no longer criteria which govern the multilateral program.

On this basis, much of the present-day multilateral activity revolves around discussion and consultation regarding individual strategic trade problems. Orders of large magnitude by the U.S.S.R. or the other eastern countries for items of generally known end uses, such as the FIAT auto plant, large diameter oil pipelines, transportation equipment, special machine tools, et cetera are debated and dealt with on a case-by-case basis.

Meanwhile, the trade the West Europeans and Japanese carry on with the Communist areas has become wider in scope and greater in magnitude. And the marginally greater permissiveness of recent changes in U.S. export policy has not altered this disparate trend.

General Trade

This brings us to the fundamental East-West trade phenomenon of the past decade. Free world exports to Eastern Europe including the U.S.S.R. have risen steadily from a low point of \$1.1 billion in

² The CoCom countries.