

Soviets offer \$10 billion in deals— why won't the U.S. say yes?

"Certain negative aspects," reported *Pravda*, had to be stressed by Soviet President Brezhnev in his talks with U.S. Secretary of State Cyrus Vance on Soviet-American relations in Moscow last month. But Brezhnev was not just talking about the SALT negotiations or "human rights" issues.

Stories filed by Heinz Lathe, the usually well-informed Moscow correspondent for the *Handelsblatt* and other West German dailies, indicate that Brezhnev and Foreign Minister Anatolii Gromyko applied a sort of "linkage" — the preferred term of Zbigniew Brzezinski — in reverse. In his own contribution to the talks, reported Lathe, Brezhnev insisted that the U.S. must clarify other aspects of its foreign policy, if SALT is to succeed. In particular, Brezhnev wanted action on the restrictions imposed on U.S. trade with his country.

Drop the restrictions, and \$10 billion in industrial contracts is ready for bidding by U.S. firms, according to Lathe's account of what Brezhnev had to say.

This volume of business corroborates the scale of possible sales to the Soviets, which is similarly indicated by the "28 major projects" that Soviet foreign trade officials reportedly discussed with Armco Steel Chairman C. William Verity during his recent visit to the USSR. It is *five times* the previous figure of \$2 billion quoted by Foreign Trade Minister Patolichev and his deputy V. Sushkov as the amount of business immediately ready to go to the Americans.

A large delegation of U.S. businessmen is due in Moscow in December, for the meeting of the U.S.-USSR Trade and Economic Council. The delegation goes with two strikes against it, however: the existing mass of restrictions that still tie the hands of would-be negotiators of large-scale East-West trade, and the position of Treasury Secretary W. Michael Blumenthal as *ex officio* U.S. chairman of the Council and head of the delegation.

The Soviets are broadcasting loud and clear that they want Soviet-American trade to pivot on industrial growth, not just grain sales. Dzhermen Gvishiani, Deputy Chairman of the State Committee for Science and Technology, held a press conference in late October to tell American correspondents that it was a great mistake — "ridiculous" in his words — to

suppose the new U.S. review procedures for high-technology exports would put political pressure on the Kremlin. It is the height of naiveté, said Gvishiani, to underestimate Soviet science. "We have the ability to solve any scientific and technological problem that exists today," he stated, and added that the USSR would prefer to sell high-technology products to the U.S. as well as buy them.

Mikhail Troyanov, director of the Soviet Institute for Physics and Energy Technology, also took the opportunity to discuss with Americans the paramount importance of high-technology industrial expansion when he toured the U.S. in October as a guest of the Atomic Industrial Forum. Troyanov reportedly spoke out for the advantages of building fast-breeder nuclear power plants — something that currently the USSR is doing and America is not.

— Rachel Berthoff

The war against East-West trade

The Carter Administration's performance to date on industrial-technological trade has cost the United States something in the hundreds of billions of dollars.

In the nuclear field alone, perhaps the most notorious case, the conservative estimates are that the U.S. could be exporting 85 reactors in the next few years and could have contracts underway for the same, if it were not for the Administration's nuclear export prohibitions. Since a nuclear plant costs approximately \$1.5 to \$2 billion, and by Department of Commerce estimates every \$1 billion in U.S. exports supports 55,000 U.S. jobs, the decision to prohibit and/or discourage the export of 85 plants means the loss of between 8 and 9 million skilled and engineering jobs.

That's just the nuclear field. There is no way to accurately estimate the cost in terms of total exports, capital formation, and jobs that are being lost daily because of the restrictions, delays in licensing, and