

Trade by Susan B. Cohen

Caterpillar gets an export license

Did the United States get an East-West trade policy in the bargain?

In a surprise move viewed by some as an effort to get out of the box of East-West confrontation advocated by important forces in and out of the government, President Reagan has made a final decision to grant an export license to the Caterpillar tractor company to sell pipelayers to the Soviet Union.

The sudden action pulled the rug out from under three administration witnesses scheduled to testify the next morning, Dec. 10, on "Soviet Energy and Western Technology" at hearings called by the House Science and Technology Committee's subcommittee on Oversight and Investigations. Commerce, State, and Defense Department witnesses were expected to argue the administration's case against U.S. support for Soviet energy development. But, as one observer put it, after the President's action, "they had no testimony left."

At this time there is every indication, however, that rather than fall into line with the drift of the President's decision, the advocates of a "new, tough stance" on East-West trade are digging in for a fight. They include Deputy Commerce Secretary for International Trade Lawrence Brady, DOD's Richard Perle, and Perle's assistant Stephen Bryen, earlier removed from a key staff position with the Senate Foreign Relations committee when his activities as an Israeli agent were exposed.

The Commerce Department re-

portedly spurned White House orders to issue a press release on the Caterpillar license. Commerce's Brady, it will be recalled, distinguished himself under the Carter administration by charging that the Soviet invasion of Afghanistan was "made in the U.S.A."—a reference to the Kama River factory built by the United States and Italy in the early 1970s that allegedly produced the tanks that rolled south two years ago.

The Public Affairs office at Commerce informs callers that the pipelayers will not be used for the Yamal pipeline, and otherwise directs inquiries to Caterpillar. Other sources point out that the Caterpillar application did not go through the export control bureaucracy, and that the license does not yet have the required signatures and seals.

In short, the Commerce Department, at least, declines to acknowledge the President's decision. These same forces are also banking on a devolution of the Polish crisis to queer the \$15 billion Siberian pipeline project, which they see as a watershed in East-West relations and the real issue in the Caterpillar affair.

The gigantic pipeline project between the Soviet Union and Western Europe, the largest single project in history, had been the subject of last-ditch efforts to woo the European allies away from the deal at the Ottawa summit in July. A sober analysis of the failure of that

attempt provides the starting point for consideration of a proper approach to East-West trade. Take the nuclear portion of that package, for example. As technology consultant Arnold Kramish pointed out in testimony before Senator Jake Garn's Banking Committee on Nov. 12, proposed cooperation in nuclear reprocessing could hardly be tempting to Western European nations, notably Britain and France, who are far ahead of the United States in the field of reprocessing technology! Moreover, as Kramish also points out, the United States has managed to establish a convincing record of technical, political, and economic unreliability in matters of joint energy development and supply: witness the follies of the "nonproliferation" campaign, or the fiasco of the solvent refined coal project undertaken with West Germany and Japan and then sabotaged by Washington to the point of finally being dumped altogether six months or so ago.

Technological control is no substitute for technological leadership, Kramish tried to tell the obsessive Senator Garn and his committee to little avail. "The only certain way to keep ahead in political, military, and economic terms," stated Kramish, "is to preserve and encourage this nation's technological momentum."

There is admittedly no evidence that President Reagan's decision to buck the hardliners on the Caterpillar license was informed by any such realization. In fact, rumor is that the decision was a simple quid pro quo for needed backing on the budget from Senator Percy (R-III.) and House Minority leader Robert Michel (R-III.).