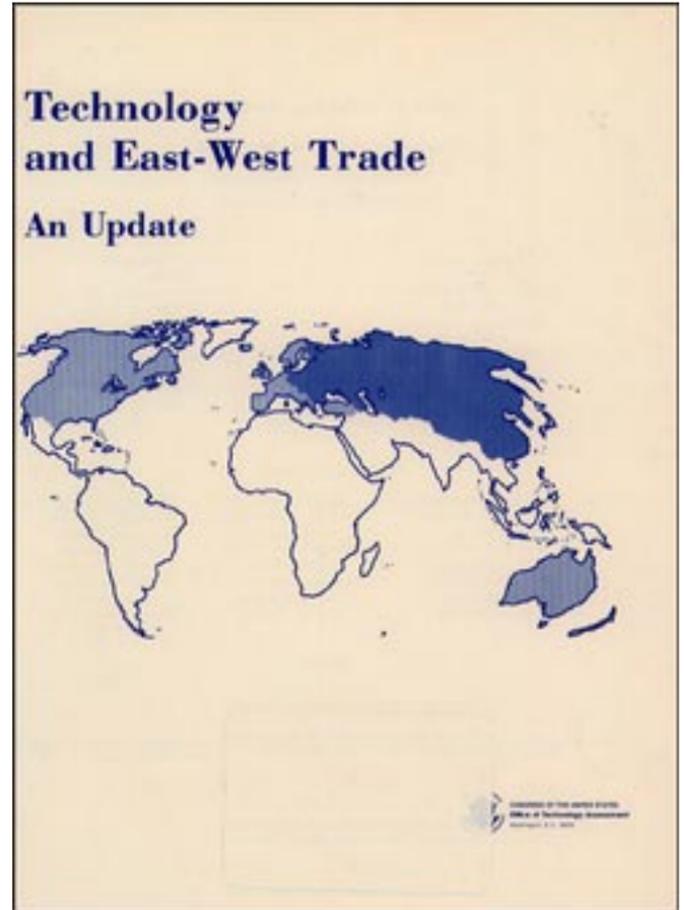


*Technology and East-West Trade: An Update*

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## Foreword

Before the Export Administration Act expires on September 30, 1983, Congress must determine whether present law adequately addresses recent developments and should be renewed; or whether amendment or further legislation is required to meet changing technological, political, and economic circumstances; and if so, how such legislation should be drafted. This document, written at the request of Senators Garn and Riegel, Chairman and Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs, is designed to assist Congress in this process. It updates OTA'S 1979 report on *Technology and East-West Trade*.

The latter study identified, and where possible evaluated, the economic, political, and military costs and benefits that accrue to the United States in its trade with the Communist world, discussing these impacts in the context of the then newly enacted Export Administration Act.

This report has a narrower scope but nonetheless revisits many of the same issues. It summarizes the major provisions of the 1979 Export Administration Act, highlighting those provisions which have led to problems of interpretation or execution; recounts major provisions in U.S. export control policy towards the Soviet Union since 1979; and discusses the impacts and implications of those events—for the domestic economy, for U.S. political relations with the NATO allies and with the Soviet Union, and for U.S. national security. The report concludes with a discussion of the policy alternatives open to Congress in 1983.

OTA is grateful for the assistance of the Council on Foreign Relations, which convened a discussion group whose members provided valuable insights into U. S.-Soviet trade during the early stages of the preparation of this report; for the assistance of the Congressional Research Service and the General Accounting Office; for the cooperation of the Departments of State, Defense, and Commerce as well as the Central Intelligence Agency and the staff of the National Security Council; and for the help of a number of individuals in and out of the Government, who reviewed the draft of the report.

  
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