

Technology and East-West Trade

November 1979

NTIS order #PB83-234955

Technology and East-West Trade



Library of Congress Catalog Card Number 79-600203

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 Stock No. 052-003 -00723-1

Foreword

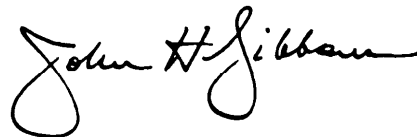
This assessment was made in response to requests from the House Committee on Foreign Affairs and the Senate Committee on Commerce, Science, and Transportation. Its purpose is to examine the economic and national security implications of the transfer of technology between the United States and the Communist world.

The study identifies and, where possible, evaluates the economic, political, and military costs and benefits that accrue to the United States in its trade with the Soviet Union, Eastern Europe, and the People's Republic of China, taking account of the complex ways in which these factors interrelate. It sets forth a spectrum of policy options which could potentially affect these relationships, and explains the difficulties in projecting their consequences.

The report also provides background information on the functioning and the implications of U.S. trade policy vis-a-vis the Communist world, including the areas of tariff and credit policy and export control, both in the United States and in selected allied nations. Finally, it surveys the past and potential contributions of Western technology to the economies of the Soviet Union and China.

The Director of this project is Dr. Ronnie Goldberg of OTA's International Security and Commerce program. That program is managed by Dr. Peter Sharfman (who succeeded Dr. Henry Kelly in September 1979) and is part of OTA's Energy, Materials, and International Security Division headed by Assistant Director Lionel S. Johns.

OTA is grateful for the assistance of its Technology and East-West Trade Advisory Panel, chaired by Mr. McGeorge Bundy, as well as for the assistance provided by the Central Intelligence Agency and the Departments of Defense, State, and Commerce. It should be understood, however, that OTA assumes full responsibility for its report, which does not necessarily represent the views of individual members of the Advisory Panel or of any Government agency.



JOHN H. GIBBONS
Director

Technology and East-West Trade Advisory Panel

McGeorge Bundy, *Chairman*
New York University

Igor Birman
Consultant on Soviet Economics

Morris Bornstein
University of Michigan

Lawrence Brainard
Bankers Trust

Jonathan Bunge
Keck, Mahin, and Cate

Daniel Drucker
University of Illinois

Melvin Duncan
Export Programs, Inc.

Patricia Feltes
League of Women Voters

Thomas Fingar
Stanford University

Frederic Fleron
State University of New York

Henry Forrest
Control Data Corporation

Elizabeth Jaeger
AFL-CIO

Rhoda H. Karpatkin
Consumers Union of the United States

Jan Lodal
American Management Systems

J. Ray Pace
Baker World Trade, Inc.

Charles Phipps
Texas Instruments, Inc.

Gertrude Schroeder
University of Virginia

David Smith
Levi-Strauss, Inc.

Seymour Weiss
SY Corporation

Technology and East-West Trade Project Staff

Lionel S. Johns, *Assistant Director*
Energy, Materials, and International Security Division

Henry Kelly, *Program Manager* (to September 1979)
Peter Sharfman, *Program Manager* (from September 1979)
International Security and Commerce Program

Ronnie Goldberg, *Project Director*

Pamela Baldwin	Robert Rarog
Marvin Ott	Irene Szopo

Administrative Staff

Dorothy Richroath	Helena Hassell
-------------------	----------------

OTA Publishing Staff

John C. Holmes, *Publishing Officer*
Kathie S. Boss Joanne Heming

Acknowledgements

This report was prepared by the International Security and Commerce Program staff of the Office of Technology Assessment. The staff wishes to acknowledge the assistance of the following contractors in the collection, analysis, and preparation of material for the report:

Michael Checinski
Robert Fraser
Seymour Goodman
Mark Kuchment
Phillips Kuhl

Stephen Sternheimer
Richard P. Suttmeier
Rudi Volti
Angela Stent Yergin

Business Experience
International
International Economic
Studies Institute

The following Government agencies also provided assistance:

The Central Intelligence Agency
The Department of Commerce

The Department of Defense
The Department of State