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ECONOMIC LINKAGE WITH RUSSIA

When a U.S. Secretary of Defense in the 1950s put his foot in his mouth by saying, "What's good for General Motors is good for the country," he was covered with scorn. Businessmen are more circumspect in their speech now, but that same premise appears to be what motivates the some 100 U.S. businessmen who visit Moscow each week, as well as the 14 American corporate offices and three U.S. bank branches that have set up shop there.

Having a Russian contract is "in." The status-seekers gladly pay $10,000 to join the U.S.•U.S.S.R. Trade and Economic Council. They are trying to make deals that are good for their companies regardless of their impact on the good of our country.

In 1962 the late Senator Everett Dirksen made headlines by reading into the CONGRESSIONAL RECORD a secret report written by State Department official Walt W. Rostow which espoused the theory that the Soviet Union was "mellowing" and going through a process of "evolution" in which it would abandon its goal of world conquest and grow more like the United States.

This was the so-called theory of "convergence" of our country with the Soviet Union. It was born in the murky waters of Foggy Bottom and melted away when exposed to the glare of reality.

In the last several years, "convergence" has reemerged under the new label "linkage." According to this reincarnated version of the same theory, "economic linkage" should be established between the United States and the Soviet Union by subsidized U.S. credits to the U.S.S.R., the transfer of American technology, the export of grain, the development of Soviet mineral resources through investment of U.S. capital, and U.S.-Soviet joint ventures in underdeveloped countries of the Third World.

Although the word "detente" has become a no-no in the political arena,

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detente[11] is now the favorite cliche. We are encouraged to "spin a web of vested interests" in the hope that the Soviets reform their international behavior.

The Soviet Union has been eagerly trying to lure American businessmen and bankers with the prospect of a large potential Soviet market and special tax advantages. It is clear, however, that the Soviet motive is not merely trade for profit's **sake.**

The Soviet trade pattern reveals two primary purposes. One is to tap Western technology and long-term credits in order to develop inaccessible resources rapidly, especially oil, natural gas, timber, and rare metals.

The other is to import complete industrial installations wholesale, especially in chemical and petrochemical industries, computer production, the automotive field, the energy sector, and modern metallurgy. All these are, of course, of strategic importance.

The Soviets are currently buying several chemical plants, a new steel mill with the latest technology, oil-drilling and manufacturing equipment, and a complete shipyard from Britain that can produce warships and submarines.

Over the last several years, the Soviets have bought nearly a thousand "turn-key" plants with ready-to-go manufacturing facilities. Soviet bloc governments have set up more than 800 joint manufacturing ventures with Western firms, particularly in the mechanical engineering, chemical, and transportation fields.

Among the advanced American technology shipped to the Soviet Union in the last couple of years is precision grinding machinery to manufacture miniature ball bearings to tolerances of a 25 millionth of an inch. The Soviets bought 164 of these machines, which are an intri,cate part of the guidance mechanism for MIRVs, while the United States has only 77.

In 1972 Soviet orders for Western technology were nearly $2 billion. In 1973 this figure rose to $2.5 billion, in 1974 to nearly $4 billion, and in 1975 to almost $5 billion. The Kremlin has demanded and gotten very low interest rates, favorable long-term credits normally extended only to underdeveloped nations, and the wholesale transfer of factories without the profit repatriation or partnership arrangements that American companies usually get in other countries.

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