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Review by **Frank Cain, University of New South Wales, ADFA, Canberra, Australia**

Alan Dobson is an acknowledged expert in the Cold War trade embargo policies of the U.S. and the author of a well-received book on the topic.¹ He sees the embargo policy as having been necessary for meeting fundamental threats to the very survival of the U.S. His recent article updates his research on the topic and includes an examination of the embargo policies instituted by President Carter in response to the invasion of Afghanistan by the Soviet forces in 1979.

The embargo trade policies had many ramifications that involved various branches of government both in the U.S. and the West European nations. Much of the material that could be used to untangle the many international connections relating to the trade embargo policies remain buried in the archives of the nations concerned. A general outline of those events is summarized as follows for the benefit of the general reader. In 1947, with war clouds gathering in response to apparent Soviet expansionism, the U.S. Congress and the Truman administration instituted the method of embargoing the export of material that could be of military use to the Soviets, and after 1949 to communist China. The support of the West Europeans was engaged as a condition for them receiving Marshall aid. The U.S. trade with Soviet Russia was minimal, but the West Europeans had traded with the Russians for over a century and maintaining those trade links was essential. Russian foodstuffs, building timber, Polish coal, oil and some gold were imported in return for West European exports to the Soviets of machinery, machine tools and technology.

¹ See his *US Economic Statecraft for Survival 1933-1991: Of Sanctions, Embargoes and Economic Warfare*, Routledge, London, 2002, pp. 376.

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The ban applied to all war-making material, including the tools, presses and lathes for manufacturing them and the raw material, such as copper, steel and bauxite to produce them. Lengthy lists of banned items were prepared and modified by a consensus among the several countries that were then administered through their respective Customs Offices. The embargo was conducted under a form of gentlemen's agreement and overseen through a secretly-located office in Paris where the trading statistics were compiled for measuring compliance among the nations. Initial enthusiasm among the Europeans soon waned and trade was renewed for basic commodities between the Soviet Union, their satellites and the Europeans.

In the face of growing European eagerness to open trading links with the expanding communist China and the Soviet satellite countries (Britain was already exploiting its Hong Kong trading connections with mainland China) the U.S. trade and diplomatic officials had to arrange compromises between themselves and the Europeans so that the embargo policy could be maintained under the changing U.S. administrations. Congress members were also ever-watchful towards the Europeans breaching the embargo arrangements and continued to suspect that the Europeans would conduct trade with the East behind the backs of the Americans. The concern of Congress led to the passage of the Battle Act (named after Laurie C. Battle) which provided a closer connection between U.S. financial grants to the West Europeans and their observance of the trade banning policies. As technology expanded the availability of new inventions, such as the use of micro-wave links in telephony and later the application of computers to telephone switching in the telephone exchanges, these became more accessible to the East. But the Americans held the patent rights over some of this new technology and they could tighten the export of them to the bloc countries outside the cooperative trade embargo arrangement already instituted.

The short-lived Kennedy administration and later still the Nixon administration looked to soften the effects of the embargo on the U.S. economy as it denied itself access to the widening markets in the Sino-Soviet bloc. It was then appreciated in the U.S. that through its own indigenous technical resources, the Sino-Soviet bloc had become independent of the Western economies and openings existed for the sale of non-military American technology. The Nixon administration responded positively, and the influence of Secretary of State Dr. Henry Kissinger led to the establishment of U.S./Soviet trading initiatives that involved such enterprises as the export of industrial equipment for use in the large Kama River truck manufacturing plant in the USSR. Such commercial activities were to be financed through the American Export-Import Bank and consideration was given to extending Most Favorable Trading (MFN) agreement to the Soviets. The Jackson-Vanik amendment in Congress relating to allowing Jewish emigration from the USSR led to the Russians abandoning the continuing discussion on the trade matters.

These and other aspects of trade embargo are discussed by Alan Dobson in his article that explores the changing goals of the U.S. trade embargo policies. Dobson widens his discussion of these years by drawing on new sources that introduces the trade embargo

innovations of the Carter administration. In response to the Soviet invasion of Afghanistan in 1979, President Carter introduced a ban on the export of wheat sales to the Soviets above the level already contracted between the two nations as the means for deterring further Soviet aggression. Dobson shows how it was incorrectly anticipated in Washington that the other Western wheat growing nations would be unable to make up the difference of the Soviet's import demands. The years of détente had reduced the fears of communist expansionism in the West and the U.S. allies, including Canada and Australia, were eager to capture more of the Soviet wheat market and they thus increased their wheat exports to the USSR. Such actions both thwarted President Carter's plans and expanded the sources for Soviet's wheat purchases. Dobson's article provides an important and interesting insight to the near-three decades of the American Cold War trade embargo policies. The extent to which these trade embargo policies contributed to the collapse of the Soviet empire is not discussed by Dobson. The answer to that question lies deeply buried in the archives of the former Soviet Union and their emergence cannot be expected any time soon.

Dr. Frank Cain is a Visiting Fellow in the School of Humanities and Social Sciences at the University of New South Wales in Canberra, Australia. He holds a BA and MA from the University of Adelaide and a PhD from Monash University, Melbourne. He is the author of *Economic Statecraft During the Cold War: European Responses to the US Trade Embargo*, Routledge, 2007, London. His research interests are in the Cold War, Intelligence History and Australian Political History. His latest book is *Terrorism and Intelligence in Australia: A History of ASIO and National Surveillance*, Australian Scholarly Publishing, 2008, Melbourne, Australia, pp. 362.

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