

Trade as a U.S. Weapon

Administration, in Reversal, Adopts View That Economic Warfare Can Be Useful

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WASHINGTON, Jan. 7 — President Carter's decision on Friday to halt exports of grain and high-technology items to the Soviet Union reflects a triumph within the Administration of the belief that trade can serve as a political weapon, Administration officials and others remarked today.

News Analysis

But whether trade can perform that function has been strongly contested and, within the Carter Administration, many officials have argued repeatedly that such actions cost the United States more economically than they produce in political benefits.

Until the recent events in Iran and the Soviet Union, that view was dominant. Now, economic warfare is on the rise. In the Iranian case, Iran's assets under American control have been frozen and more sanctions are being sought in the United Nations.

'Serious Price to Be Paid'

"The kinds of decisions we have made are going to make them aware that there is a serious price to be paid for the kinds of actions they have carried out," said a senior Administration official of the Soviet military intervention in Afghanistan at a recent briefing.

Within the Administration, the principal exponent of the usefulness of economic warfare has been Zbigniew Brzezinski, the assistant to the President for national security affairs.

Almost since the start of the Carter Administration, he has argued that the withholding of trade with the Soviet Union and other countries would cause them economic problems and weaken them as a strategic threat to the United States.

In addition, Mr. Brzezinski, aided by former Secretary of Energy James R. Schlesinger and sometimes by Department of Defense officials, have contended that the long-standing control of possibly strategic goods such as computers should be tightened.

Mixed Results in Past

In the past, Mr. Brzezinski's efforts have had mixed results. In perhaps the most publicized case, he failed to block a 1978 sale to the Soviet Union of oil drilling technology at the time of a trial of Jewish dissidents, although he halted a smaller computer sale and forced oil equipment onto the American list of exports requiring a license.

Now, the tide appears to have turned. Most recently, according to Administration officials, Mr. Brzezinski, with support from Hamilton Jordan, the President's chief of staff, prevented the nomination of Stanley J. Marcuss, Deputy Assistant Secretary of Commerce for Trade Regulation, to the similar assistant secretaryship in the newly reorganized Commerce Department. Mr. Marcuss, who had fought Mr. Brzezinski on the proposed Dresser Industries sale, said today he had resigned, effective in 90 days.

By all accounts, the new measures are likely to be far-reaching and long-standing. Administration officials expect that no new licenses will be granted for items currently controlled for the foreseeable future. This list includes products such as computers, sophisticated machine tools and electronic and oilfield equipment.

In addition, the Administration appears certain to add new items to the list of those being controlled. Among

the probable additions are fertilizer phosphates and farm machinery, Administration officials said. Finally, licenses already issued but unused may be revoked.

These decisions follow by a few months passage of a new Export Administration Act by Congress that was designed to require more orderly consideration — including Congressional consultation and notification — before trade was used for political purposes.

'Action Is Counterproductive'

"If anything, this action is counterproductive," said Senator Adali Stevenson, Democrat of Illinois. "This latest exercise of this authority will demonstrate that we punish the United States for the misadventures of the Soviet Union."

Mr. Stevenson, who sponsored the new law, plans to hold hearings on Jan. 22 and 23 under the auspices of his Subcommittee on International Finance.

The debate between Mr. Brzezinski and the Commerce Department has centered on the extent to which the Soviet Union would be able to duplicate the American technology elsewhere. In the case of the 1978 computer for Tass, the Soviet press agency, the Russians ultimately purchased the machine from a French company.

In the case of the Dresser Industries sale, William Root, director of East-West trade at the State Department, contended, for example, that one key item in the dispute — an electron beam welder — could even be obtained in East Germany.