

8-3-2011

Rescuing Trade from Necessity: Henry Kissinger's Economic Diplomacy toward the Soviet Union

Robert Faith

Indiana University of Pennsylvania

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RESCUING TRADE FROM NECESSITY: HENRY KISSINGER'S ECONOMIC
DIPLOMACY TOWARD THE SOVIET UNION

A Thesis

Submitted to the School of Graduate Studies and Research

in Partial Fulfillment of the

Requirements for the Degree

Master of Arts

Robert Faith

Indiana University of Pennsylvania

August 2011

Indiana University of Pennsylvania
The School of Graduate Studies and Research
Department of History

We hereby approve the thesis of

Robert Faith

Candidate for the degree of Master of Arts

Werner Lippert, Ph.D.
Assistant Professor of History, Advisor

Sharon Franklin-Rahkonen, Ph.D.
Assistant Professor of History

Steven Schroeder, Ph.D.
Associate Professor of History

Thomas Alan Schwartz, Ph.D.
Professor of History, University of Vanderbilt

ACCEPTED

Timothy P. Mack, Ph.D.
Dean
The School of Graduate Studies and Research

Title: Rescuing Trade from Necessity: Henry Kissinger's Economic Diplomacy toward the Soviet Union

Author: Robert Faith

Thesis Advisor: Dr. Werner Lippert

Thesis Committee Members: Dr. Sharon Franklin-Rahkonen
Dr. Steven Schroeder
Dr. Thomas Alan Schwartz

ABSTRACT

Henry Kissinger has often been depicted as a disciple of Continental realism, and a rarity among American Cold War diplomats. According to this interpretation, Kissinger did not concern himself with domestic politics, public opinion, and economic issues in his diplomacy toward the Soviet Union, and was focused solely on primary high-policy issues such as ending the Vietnam War. However, his later actions as National Security Advisor and Secretary of State under Presidents Nixon and Ford were decidedly inconsistent with Continental realism. This thesis argues that Kissinger gradually incorporated economic issues as part of his “diplomatic arsenal,” in which the context of East-West trade facilitated a transition away from Continental realism toward a “naturalized” realism inclusive of more traditional American foreign policy elements. These elements include economic issues, domestic politics, and the relationship between the statesman and the American public.

ACKNOWLEDGEMENTS

I would like to thank the IUP members of my panel, Dr. Sharon Franklin-Rahkonen and Dr. Steven Schroeder, for their help and support in shaping this thesis. I am also indebted to Dr. Thomas Alan Schwartz of the University of Vanderbilt and Dr. Mario Del Pero of the University of Bologna, Italy, scholars of the highest order whose generous support and guidance have greatly influenced and shaped my thinking of Kissinger, détente, and Cold War history. Finally, I would like to give a special thanks to my thesis advisor and mentor, Dr. Werner Lippert, for introducing me to Kissinger and Cold War history, and for his tireless support from the beginning of this project until the end. Without him, this thesis would not have been written, and I would not have been introduced to the infinitely fascinating world of diplomatic history.

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INTRODUCTION

Throughout the course of American history, the trajectory of U.S. foreign policy has been shaped and influenced by officers within the Executive branch of the U.S. government. In the pantheon of prominent American diplomats, it is easy to become transfixed by Henry Alfred Kissinger, former National Security Advisor to President Richard Nixon and Secretary of State under Presidents Richard M. Nixon and Gerald R. Ford. Invariably labeled as brilliant, well-learned, pompous, and egotistical, with an insatiable thirst for distinction and public attention, Kissinger arguably enjoyed more power and influence in shaping U.S. foreign policy than all of his predecessors in the offices in which he served. Moreover, Kissinger's embrace of Continental realism—the European style of realist foreign policy—has been the subject of intense scholarly debate, for, while sympathetic to this school of thought in some areas of American foreign policy, in others, Kissinger's actions were decidedly incongruent with this doctrine. This ambivalence represents the core of my argument. In this thesis, I seek to demonstrate that over time Kissinger's ideas and commentaries on American foreign policy were calculated to solicit popular support among the American public, much akin to other U.S. foreign policy practitioners. Once in power, Kissinger's foreign policy gradually transitioned from a largely doctrinaire Continental realist perspective to a “naturalized” strand of realism that recognized economic diplomacy, domestic politics, and public opinion as essential foreign policy considerations.

To be sure, with a long-term statesman such as Kissinger—perhaps the most documented American diplomat in U.S. history—this argument could be made on numerous levels and in various contexts. Indeed, Kissinger's varied diplomatic engagements with the Soviet Union,

China, Western European allies, as well as countries in South America and the Soviet bloc in Eastern Europe (among others) provides the historian with as many promising venues as daunting challenges for analyzing Kissinger's statecraft. For the sake of this thesis, therefore, I chose to focus on the role of diplomacy—especially the relationship between East-West trade and U.S.-Soviet balance-of-power politics—in order to evaluate Kissinger's shift away from Continental realism, as this is one of the areas which illustrates Kissinger's transition most clearly. Before his appointment as National Security Advisor in late 1968, economic diplomacy was nowhere to be found in the "Continental" Kissinger's published commentaries on foreign policy. Yet as can be seen in his many private conversations with Nixon, Ford, and various Soviet diplomats and leaders, as well as his many public statements made late in his career, Kissinger had clearly embraced economic diplomacy as a vital political tool within his realist foreign policy throughout his tenure as National Security Advisor and Secretary of State under Nixon and Ford.

Few studies have commented at length on Kissinger's economic diplomacy or, for that matter, the role of economic diplomacy within Kissinger's realist foreign policy.¹ Writing what would become a standard work on U.S. economic policy during the Cold War in 1988, Phillip Funigello argued that Kissinger favored trade with the Soviet Union based on the principle of "political reciprocity," in which economic progress could only follow political progress; furthermore, Kissinger's embrace of liberalized East-West trade initiatives, such as the Export Administration Act of 1969, "became a convenient instrument by which the [Nixon] administration could compensate for the inadequacy of a military containment, influence Soviet

political behavior, and direct East-West trade policy away from a restrictive, strategic embargo toward a careful expansion of exports”—although Funigello contends that Kissinger’s manipulation of economic ties with the Soviets was an unwise method for securing U.S. political objectives.² More recently, Alan Dobson has argued that the Nixon-Kissinger strategy of “linkage” “not only helped to elevate economic issues to high politics, it also, by doing so, drew domestic economic constituencies further into foreign policy-making.”³ Though clearly suggesting a strong relationship between economic diplomacy and Kissinger’s realist foreign policy, however, the works of Funigello and Dobson leave unanswered the extent to which economic diplomacy and trade issues shaped Kissinger’s realism as a statesman.

Despite a notable lack of scholarly emphasis on Kissinger’s economic diplomacy, a number of prominent scholars have produced excellent works on Kissinger and the Cold War period of détente in the 1970s, all of which have contributed general appraisals of Kissinger’s realism. According to Cold War historian John Lewis Gaddis, Kissinger’s diplomacy displayed a clear commitment to European realpolitik. Gaddis argues that Kissinger’s “sense of strategy,” with “an insistence on the importance of establishing coherent relationships between ends and means” that transcended time and circumstance, was central to his embrace of realpolitik.⁴ Upon Kissinger’s ascension to the post of Nixon’s National Security Advisor, argues Michael Joseph

¹ For an excellent overview of the historiography of Kissinger and détente as of 2003, see Jussi M. Hanhimäki, “‘Dr. Kissinger’ or ‘Mr. Henry’? Kissingerology, Thirty Years and Counting,” *Diplomatic History*, 27 November 2003: 637-676.

² Philip Funigello, *American-Soviet Trade in the Cold War* (Chapel Hill: The University of North Carolina Press, 1988), 178-79, 221-22.

³ Alan P. Dobson, *U.S. Economic Statecraft for Survival 1933-1991: Of sanctions, embargoes and economic warfare* (London: Routledge, 2002), 183.

⁴ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (New York, New York: Oxford University Press, 2005), 306. This work was first published in 1982.

Smith, “the triumph of the realist analysis of American foreign policy seemed at hand.”⁵ In the first major biography of Kissinger, Walter Isaacson argued that Kissinger’s “predilection for realpolitik and his feel for balance-of-power diplomacy” were guided by the principle of basing foreign policy on assessments of strength. To Kissinger, an emphasis on realism and national interests was “the best way to pursue the stable world order that he believed was the ultimate moral imperative” in a Cold War world threatened by nuclear destruction, and his triangular diplomacy with the Soviet Union and China was “a triumph of hard-edged realism worthy of a Metternich.”⁶

Many scholars have since echoed this basic interpretation of Kissinger’s realism by Gaddis and Isaacson, while offering a number of qualifying features. William Bundy, a former member of the Nixon administration and critic of Kissinger, has argued that Kissinger did not “habitually” implement his foreign policy actions on the basis of a “dispassionate analysis of the U.S. national interest;” rather, Kissinger’s decision-making was often decisively influenced by his “personal impressions” as a student of European diplomacy, reflecting a conceptual failure to translate European-style realpolitik to U.S. foreign policy during the Cold War.⁷ Jussi Hanhimaki depicts Kissinger as a “flawed architect” whose realism “ultimately led to disillusionment” with the forces at work in American foreign policy, and his conduct of foreign policy—particularly with regards to his decisions on the Vietnam War—“suggests that [Kissinger] was very much a

⁵ Michael Joseph Smith, *Realist Thought from Weber to Kissinger* (Baton Rouge: Louisiana State University Press, 1986), 192.

⁶ Walter Isaacson, *Kissinger: A Biography* (New York: Simon & Schuster, 1992), 108, 762, 766. For basic reaffirmations of these features of Kissinger’s realism, see also Robert Dalleck, *Partners in Power: Nixon and Kissinger* (New York: HarperCollins Publishers, 2007), 135-167; and Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan* (Washington, D.C.: The Brookings Institution, 1994), 27-39.

hard-nosed realist.”⁸ Interpreting Kissinger’s embrace of realism in more globalized terms, Jeremi Suri argues that Kissinger “was, above all, a revolutionary” practitioner of realpolitik who conceived of “a rational system of calculated interests and negotiations” that incorporated “inherited assumptions about cultural hierarchy and emotional reactions to the prospect of chaos.”⁹ Largely concurring with these assessments, and placing a decidedly more positive light on Kissinger’s foreign policy decision-making, Alistair Horne argues that Kissinger, the statesman, was “true to Metternichian principles and realpolitik” in his quest to establish a “world balance of power” that sought “an order that held as its objective the maximum well-being of the majority of citizens”—truly the last in the tradition “of the great European diplomatists.”¹⁰

More than any other scholar, however, Walter Russell Mead has provided historians with a compelling framework for analyzing Kissinger’s realism. Meade depicts Kissinger as a quintessential disciple of the European-stemmed “Continental realism” foreign policy school. Similar to classical realist thinking, Continental realism is founded upon a basic belief that “countries are driven by interests and the quest for power in international relations rather than ideals and benevolence.”¹¹ However, Mead argues that Continental realism “cannot yield a coherent [historical] view of either the strengths or the weaknesses of the American method of

⁷ William Bundy, *A Tangled Web: The Making of Foreign Policy in the Nixon Presidency* (New York: Hill and Wang, 1998), 515.

⁸ Jussi Hanhimaki, *The Flawed Architect: Henry Kissinger and American Foreign Policy* (New York: Oxford University Press, 2004), xxii, 490. The eminent diplomatic historian, George C. Herring, also stresses the troubling role of the Vietnam War within Kissinger’s Realist foreign policy. See Herring, *From Colony to Superpower: U.S. Foreign Relations since 1776* (New York: Oxford University Press, 2008), 808-9.

⁹ Jeremi Suri, *Henry Kissinger and the American Century* (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2007), 195, 246.

¹⁰ Alistair Horne, *Kissinger: 1973, The Crucial Year* (New York: Simon & Shuster, 2009), 26, 66, 402.

foreign policy,” as American foreign policy has historically been driven by other factors incompatible with realist thinking.¹² At its core, Continental realism places a primacy on high policy issues (such as war) while other issues, such as economics, are merely “an afterthought” to Continental realists such as Kissinger.¹³

The Continental realist also believes that the optimal foreign policy “is the product of a single great master” who may work “as the servant of another master of the foreign policy universe” but, more often, “stands alone in confrontation with rivals, bureaucratic obstacles, and uninformed superiors.”¹⁴ In the American Cold War experience, of course, Mead places Kissinger as the “single great master” who worked as the “servant” of President Richard Nixon—another “master” of American foreign policy. Thus the behavioral procedures of Nixon and Kissinger’s foreign policymaking also reflected a conscious influence of Continental realism, as they both worked to concentrate foreign policymaking in the executive branch while shutting out Congress and other executive departments—including the State Department—from the foreign policy process completely.¹⁵ Furthermore, according to Mead, the Continental realist is “excused from the normal restraints of morality” in the making of foreign policy, and indeed, Kissinger’s critics continue to condemn him for having divorced the moral element from his foreign policy decisions while in power, as he had expressed his support for oppressive or distasteful regimes “in the interests of strengthening our global posture against the Soviet

¹¹ Walter R. Mead, *Special Providence: American Foreign Policy and How It Changed the World* (New York: Alfred A. Knopf, 2001), 35.

¹² *Ibid.*, 36.

¹³ *Ibid.*

¹⁴ *Ibid.*, 39.

¹⁵ *Ibid.*, 73.

Union.”¹⁶ Finally, Continental realism stresses a wariness of democracy, as, to the statesman, the vast majority of citizens in a democracy do not often possess the necessary intellectual foundations for—much less an adequate awareness of—foreign policy issues; a conviction that Kissinger clearly harbored.¹⁷

With regard to economic diplomacy, Mead asserts that during the Cold War “the economic dimensions of the U.S.-Soviet competition, while basic and ultimately decisive, tended to disappear from view for long periods of time.” While acknowledging that “economic shortcomings” ultimately dismantled the Soviet Union by the early 1990s, Mead claims that “decisive economic developments [including those regarding East-West trade] occupied the center of policy-makers’ attention only in the opening and closing phases of the Cold War,” and did not factor at all into Kissinger’s Continental realism (a point that my thesis challenges). Thus, Mead argues that “The influence of Continental realism in American foreign policy did not peak until the Nixon and Ford administrations, when, as national security adviser and secretary of state, Henry Kissinger placed American foreign policy on solidly Continental grounds.”¹⁸

Recently, however, scholars have criticized this interpretation of Kissinger’s wholesale embrace of Continental realism. Directing attention to the historical importance of domestic politics in American foreign policy, Thomas Alan Schwartz depicts Kissinger as “a fascinating case study of someone who learned, triumphed, and was undone by the importance of American domestic politics over the time he was in office.”¹⁹ Indeed, argues Schwartz, “Kissinger’s

¹⁶ Ibid., 72, 39.

¹⁷ Ibid., 49.

¹⁸ Ibid., 69-72.

¹⁹ Thomas Alan Schwartz, “Henry, ... Winning an Election Is Terribly Important”: Partisan Politics in the History of U.S. Foreign Relations,” *Diplomatic History*, Vol. 33, Issue 2, April 2009, 187.

realism, although philosophically consistent and having roots within his own life's experience, was always tempered by his desire to exercise influence within the American system." Once in office, "Kissinger came to recognize how significantly domestic politics shaped American policy," as demonstrated by his involvement in the Vietnam War.²⁰ In his refreshingly provocative study of the domestic critique of Kissinger's foreign policy-making, Mario Del Pero goes so far as to conclude that the "entirely bipolar horizon of Kissinger's thought and policies reflected...a deficit of realism" in revealing an "overestimation of the effective commonality of interests between the [U.S. and Soviet Union] and their ability to consensually discipline their power antagonism."²¹ Furthermore, Del Pero argues that "Kissinger's attention to the domestic dimension—the media, public opinion, and Congress—was obsessive and almost maniacal...Kissinger's realpolitik—whether real or imaginary—seemed to offer categories and discursive formulas more in tune with the mood of a nation" than a strict adherence to the principles of Continental realism.²² To Del Pero, Kissinger's realism was ambiguous, as evident by his adoption of a "strategic globalism, an emphasis on credibility and interdependence, and [a] geopolitical homologation of interests."²³

While all of these scholars have deeply enriched the scholarship of Kissinger and the period of détente during the Cold War, their works are decidedly wanting in regards to the role of economic diplomacy and East-West trade within Kissinger's realist foreign policy. Thus, my thesis seeks to remedy this deficit by emphasizing the relationship between economic diplomacy

²⁰ Thomas A. Schwartz, "Henry Kissinger: Realism, Domestic Politics, and the Struggle Against Exceptionalism in American Foreign Policy," *Diplomacy and Statecraft* 22, no. 1 (2011): 121.

²¹ Mario Del Pero, *The Eccentric Realist: Henry Kissinger and the Shaping of American Foreign Policy* (Ithaca, New York: Cornell University Press, 2010), 149.

²² *Ibid.*, 150.

²³ *Ibid.*, 66.

and U.S.-Soviet balance of power politics within Kissinger's realist foreign policy paradigm. I will argue that Kissinger gradually incorporated economic issues as part of his "diplomatic arsenal," in which the context of East-West trade facilitated a transition away from Continental realism toward a "naturalized" realism inclusive of more traditional American foreign policy elements. These elements include economic issues, domestic politics, and the relationship between the statesman and the American public. In essence, Kissinger's realism became ideologically naturalized in the sense of his accounting for such elements that had been—and remain—essential for guiding American foreign policy during the twentieth century and beyond.

Conceptually, Continental realism can be seen as inelastic and exclusive, while naturalized realism (in the sense of American foreign policy) can be seen as elastic and inclusive. To borrow from Mead's definition, a practitioner of Continental realism is one who is driven solely by high policy considerations (such as international wars), and works to centralize foreign policy decision-making within the hands of a limited number of individuals at the expense of bureaucratic foreign policy apparatuses. The Continental realist absolves himself from moral restraints in foreign policy decision-making and excludes economic issues, domestic politics, and public opinion as foreign policy considerations. Conversely, the naturalized realist—while sharing the Continental realist emphasis on maintaining the world balance of power—includes economic issues, domestic politics, and public opinion as essential elements of foreign policy-making. Additionally, although the naturalized realist does not view international relations through an amoral prism, he nevertheless condemns *excessively* moralistic considerations (such as the internal behaviors or policies of nation states) in the realm of foreign policy.

Despite these conceptual differences, Continental realism and naturalized realism are not mutually exclusive in practical application. In the case of Kissinger, one sees a gradual transition from Continental realism to a naturalized realism over time, in which the inclusive elements of a naturalized realism—economic issues, domestic politics, and public opinion—were at first largely excluded from his Continental realist foreign policy vision during his first years in power. By the end of his career, however, Kissinger’s intellectual foreign policy trajectory had progressed decisively toward a naturalized realism inclusive of these elements, at which point his foreign policy-making was no longer adequately characterized nor influenced by the doctrine of Continental realism. All the while, he retained a focus on balance of power politics as well as an aversion to excessively moralistic considerations in foreign policy-making.

As mentioned earlier, although many other factors in Kissinger’s diplomacy can serve as sufficient barometers for evaluating his declining embrace of Continental realism, economic diplomacy and East-West trade relations remain arguably two of the most important elements that illustrate this transition.

Here, I identify four transitional stages in Kissinger’s intellectual shift, as they relate to economic diplomacy. In the first stage, from the time of his appointment as National Security Advisor in late 1968 until the end of 1971, East-West trade and economic diplomacy came to be included within his Continental realist paradigm only gradually, and only as a means to alleviate his primary high policy concern—enticing Soviet cooperation on ending the Vietnam War. The second stage occurred between January 1972 and the Moscow summit in May 1972, in which Kissinger’s utility of East-West trade broadened as a tool to achieve political progress on multiple high policy issues beyond the Vietnam War with the Soviet Union. The third stage,

taking place between the late summer of 1972 and the eve of Kissinger's appointment as Secretary of State in September 1973, reveals Kissinger's efforts to advocate his economic diplomacy in its own right—particularly with regard to his East-West trade agreements, as they had now become an essential component of détente. The fourth and final stage, beginning with Kissinger's appointment as Secretary of State and ending with the passage of the Trade Reform Act in January 1975, consists of Kissinger's tireless efforts to defend his East-West trade agreements against the Congressional drive to stifle East-West trade with the Jackson-Vanik amendment. By this final stage of his economic diplomacy, Kissinger had come to recognize domestic politics and public opinion as essential elements of his foreign policy, thereby finalizing his decisive transition from a Continental realist foreign policy to a naturalized realist foreign policy.

These stages correspond to the chapter outline of my thesis. In the first chapter, I will establish the background to Kissinger's Continental realist foreign policy vision for the U.S. prior to assuming the post of National Security Advisor in late 1968, as well as the foreign policy agenda of the Nixon administration toward the Soviet Union. The chapter also emphasizes the steps by which Nixon and Kissinger successfully consolidated foreign policy decision-making in the White House by creating a foreign policy apparatus quite conducive to Continental realism. While, initially, he did not consider East-West trade a distinct high policy issue, Kissinger was eventually willing to utilize East-West trade concessions as a strategic component of "linkage" with the Soviets during the first phase of his economic diplomacy. Here, I conclude that by the end of 1971, Kissinger had gradually embraced East-West trade only as a political incentive for the Soviets to aid the U.S. in ending the Vietnam War—the primary high policy issue facing the

Nixon administration—and thereby reaffirming Kissinger’s subscription to Continental realism.

The second chapter emphasizes the next stage of Kissinger’s economic diplomacy, in which his assessment of the political utility of East-West trade concessions toward the Soviets began to change during the months leading up to the Moscow summit in May of 1972. Having gradually embraced East-West trade as a political incentive for Soviet cooperation on ending the Vietnam War during his first three years in the Nixon White House, by the beginning of 1972 both Kissinger and Nixon had made little progress in U.S.-Soviet relations. Cognizant of the upcoming Presidential Election and eager for achieving political progress in U.S.-Soviet relations, Kissinger realized that he would have to modify his approach to economic diplomacy by linking East-West trade concessions to other high policy issues—such as SALT—in which he predicted a high probability of success. I conclude this chapter by arguing that although Kissinger still did not recognize East-West trade as a distinct high policy issue, beginning in January 1972 the role of East-West trade within his Continental realist paradigm broadened as a means of forging political agreements on U.S.-Soviet high policy issues beyond Vietnam—primarily SALT—at the Moscow summit in May 1972.

The third chapter takes place following the monumental achievements of the Moscow summit, including a comprehensive trade agreement with the Soviet Union concluded in October 1972 that provided for Soviet Most-Favored-Nation (MFN) status and Export-Import Bank financing. During this period, the popularity of Nixon and Kissinger soared, and the advent of U.S.-Soviet détente following the summit was enough to deliver Nixon’s re-election in November. Following a wholesale Soviet buyout of American grain surpluses, as well as Democratic Senator Henry Jackson’s proposed amendment that would link trade concessions

with the internal behavior of the Soviet Union, however, the détente policies of Nixon and Kissinger came under fire from Congressional opposition beginning in the fall of 1972. Having made various trade agreements with the Soviets, I conclude this chapter by arguing that Kissinger—ever mindful of the need to distance himself from the political fallout of the Watergate scandal—found himself in a position from which he had to advocate his East-West trade policies to a Congress increasingly hostile toward U.S.-Soviet détente. In this stage of his economic diplomacy, Kissinger illustrated a significant departure from his original embrace of Continental realism by recognizing domestic politics as an essential element of American foreign policy.

The fourth chapter will focus on the resolution of Kissinger's battle with Congress for the solvency of East-West trade and U.S.-Soviet détente, which ended with the passage of the Trade Reform Act in January 1975. With his appointment as Secretary of State in September 1973, Kissinger was now in a position to defend his East-West trade policies against Congressional and public opposition. Thus, in the final stage of his economic diplomacy, I argue that Kissinger decisively retreated from his original embrace of Continental realism by mounting a vigorous defense of his East-West trade policies against Congressional opposition and, to a lesser extent, the American public. By elevating his economic diplomacy into the realm of high politics, Kissinger's foreign policy paradigm thus made the decisive transition from Continental realism to one of a naturalized realism, for he remained convinced that expanded East-West trade relations devoid of moral considerations of internal Soviet behavior was essential for both the national interest and preservation of the geopolitical balance of power enshrined in U.S.-Soviet détente.

The fifth and final chapter is unique in its singular focus on U.S.-Soviet energy trade, and serves to highlight the significant parallel development between Kissinger's economic diplomacy toward the Soviet Union and his later economic diplomacy toward Western Europe. Given the fact that, following the energy crisis of 1973-74, Kissinger's foreign policy was significantly affected by energy security during the second half of his career, an examination of his energy diplomacy toward the Soviet Union is surely warranted. Moreover, the chapter also serves to identify U.S.-Soviet energy trade as an important, yet understudied, component of Kissinger's economic diplomacy that must be explored in future scholarship. While the record suggests that Kissinger's late recognition of U.S.-Soviet energy trade as a national security interest precluded any substantive progress in this field under Nixon and Ford, his later realist outlook on Western unity prompted him to seize American control over Western energy security initiatives following the 1973-74 energy crisis, thereby inflicting an enduring strain upon the cohesion of the Western alliance. Nonetheless, this chapter highlights the permanence of economic diplomacy in Kissinger's ideology with friends and foes alike.

In order to keep this project manageable, I have limited my focus to Kissinger's economic diplomacy and East-West trade in the European context. The reasons for this are twofold: for one, economic diplomacy has rarely been touched upon by contemporary historical analysis and, therefore, offers a somewhat unadulterated assessment of Kissinger's ideological transition. Said focus, however, cannot and must not imply a primacy of economic diplomacy in the historical discourse of the Cold War. Certainly, to Kissinger, the military bipolarism of the U.S. and Soviet Union always remained central to the balance of power in the Cold War period, as expressed in his writing in 1972 that the "one important constant" of the Cold War was "the

continuing dependence of most of the world's hopes for stability and peace upon the ability to reduce the tensions between the United States and the Soviet Union."²⁴ In other words, I recognize that, to Kissinger, Soviet General Secretary Leonid I. Brezhnev was more important than Soviet Ambassador Anatoly Dobrynin, who in turn was probably more significant than Soviet Foreign Trade Minister Nikolai S. Patolichev. Beyond that, the communist People's Republic of China undeniably played an important role in Kissinger's diplomacy and would ultimately include aspects of trade liberalization relations between the U.S. and the PRC. In addition, the political, military, and scientific relationship of the United States with China, Western Europe, and other countries were extensive, complex, and vitally important toward the outcome of Kissinger's détente policies. However, these aspects of Kissinger's diplomacy are ably treated in all of the works cited above, and in my attempts at utilizing the case study of economic diplomacy to highlight Kissinger's ideological shift, I have incorporated only aspects that serve to illustrate Kissinger's economic diplomacy with the Soviet Union.

Any study of Kissinger must inevitably draw from his voluminous memoirs and other writings, for Kissinger's personal account of the Nixon and Ford administrations—controversial as they are—stands as a monumental contribution to Cold War historiography and cannot be ignored. To balance this undeniable bias, I have also drawn from the memoirs of Nixon and Soviet ambassador Anatoly Dobrynin, the latter to provide a Soviet account of Kissinger's diplomacy at the highest levels. While the personal accounts of Kissinger, Nixon, and Dobrynin are crucial to this study, however, the bulk of my primary sources consists of Kissinger's private top-level conversations with Nixon, Dobrynin, Soviet General Secretary Leonid Brezhnev, and

²⁴ Henry Kissinger, *American Foreign Policy* (New York: Norton, 1977), 140.

Soviet Foreign Minister Andrei Gromyko in the form of recently declassified White House documents, both in published form and unpublished form from the National Archives in College Park, Maryland, and the Gerald Ford Library in Ann Arbor, Michigan. I have also incorporated some of my research material from listening to the Nixon White House tape recordings at the National Archives, as well as transcripts of a number of Kissinger's White House telephone conversations available online from the National Security Archives. William Burr's collection of Kissinger transcripts, which has contributed enormously to our understanding of Kissinger's balance-of-power diplomacy with the Soviet Union and China, has also been consulted for this study. Many primary documents of the period can be found in the *Foreign Relations of the United States*, an on-going collection of bound volumes (all of which are also accessible online) of selected declassified documents published by the State Department, and I have drawn on this collection for extensive research material. Finally, my interpretations of Kissinger, détente, and the Cold War have been significantly influenced by the secondary literature cited above, as well as other invaluable monographs and scholarly articles on the period.

It is often said that historians write in sand; the moment that one completes his work, it is soon rendered obsolete by the discovery of sources that raise new and never-ending questions about the topic under study. Such an outlook for the historian is common, and indeed reflects upon the writing of Cold War history. Yet with Henry Kissinger, the historian reaches a point where he feels that, rather than writing in sand, he finds himself buried in it. Kissinger remains arguably the most controversial diplomat in American history, whose own voluminous accounts and statements about his actions as foreign policy-maker have conflicted frequently with the steady trickle of declassified government documents that reveal a statesman of immeasurable

complexity. Thus, one writing about Kissinger the statesman finds himself especially suspicious of the credibility of the documents and materials available to the historian. A full disclosure of documentation on Kissinger and, therefore, a clearer interpretation of his foreign policy legacy, hinges in large part upon the availability of Soviet documents that remain indefinitely sealed. Nevertheless, I hope that my thesis will contribute a “revisionist” analysis of Kissinger’s Continental realist foreign policy, confident that a much-needed focus on his embrace of economic diplomacy and East-West trade—long deemphasized or ignored outright by historians—will provide a significant contribution to the scholarship on Kissinger and the Cold War period of détente.

CHAPTER 1

THE ASCENSION OF KISSINGER AND CONTINENTAL REALISM

“Kissingerism”: Envisioning a New American Foreign Policy

The ascension of Henry Kissinger to the position of National Security Advisor marked a change that would leave an indelible mark on U.S. foreign policy and the Cold War. Unlike the majority of U.S. policymakers throughout the first twenty years of the Cold War, Kissinger subscribed to the doctrine of Continental realism, a style of realist foreign policy that he was all too familiar with as a scholar of early nineteenth-century Europe. With an emphasis on balance of power politics, Kissinger sought to redefine U.S. foreign policy by approaching U.S.-Soviet relations with the goal of establishing a “new world equilibrium,” while maintaining U.S. supremacy in the geopolitical landscape. The role of economic foreign policy, including the relationship between East-West trade and U.S.-Soviet was nowhere to be found in the “Continental” Kissinger’s published commentaries on foreign policy before his appointment as National Security Advisor in late 1968.

Congruent with his contemporaries in the policymaking and academic realms, Henry Kissinger arrived in Washington confident in a Continental realist vision that would reinvigorate a U.S. foreign policy in disarray. To Kissinger, the American foreign policy experience had produced an “historical cycle of exuberant overextension and sulking isolationism,” a cycle most recently manifest in the widespread American disillusionment with the events surrounding the Vietnam War and the social upheaval of the 1960s. This disillusionment, cautioned Kissinger, threatened to dismantle the world leadership role that the U.S. had occupied since the conclusion

of World War II.²⁵ For Kissinger, accepting the reality of the world was to accept military conflict, and the unrealistic hope that conventional wars could be avoided represented a dangerous hindrance to constructing and sustaining a successful foreign policy framework.²⁶ Believing that the “limits of U.S. power required cautious calculation, rather than militant idealism,” Kissinger hoped that defining “a concept of our fundamental national interests would provide a ballast of restraint and an assurance of continuity” in an ever-changing geopolitical landscape of diminishing American hegemony.²⁷ Only after U.S. policy makers had defined such a coherent concept of national interests, argued the Continental realist Kissinger, could the U.S. contribute to establishing a global equilibrium necessary for a world threatened by the existence of nuclear weapons.

Although Kissinger certainly understood the calamitous dangers posed by nuclear war and morally opposed such a scenario, he nevertheless believed that notions of unyielding idealism, a fundamental element that dominated U.S. foreign policy during the first half of the twentieth century, was useful only as “a source of courage, stamina, self-confidence, and direction” rather than “an excuse for irresponsibility” in world affairs, and, as such, was inadequate to a world dominated by two superpowers with the capacity for destroying it.²⁸ Furthermore, such idealistic notions were incompatible with Kissinger’s Continental realist

²⁵ Henry Kissinger, *White House Years* (Boston, Toronto: Little, Brown and Company, 1979), 65.

²⁶ Gaddis, *Strategies of Containment*, 278.

²⁷ Suri, Henry Kissinger and the American Century, 145; Kissinger, *White House Years*, 65.

²⁸ *Ibid.*

outlook on American foreign policy. Therefore, argued Kissinger, America was in need of developing a “philosophical deepening” of its foreign policy.²⁹

Kissinger noted that the tumultuous decade of the 1960s had witnessed a change in the nature of power, for the world had become “militarily bipolar,” with both the U.S. and the Soviet Union held military superiority.³⁰ Thus, Kissinger’s primary foreign policy consideration “was repercussions on the competition and balance of power between the United States and the Soviet Union.”³¹ Throughout his academic writings, Kissinger consistently propounded the notion that there must be alternatives to the “strategic weakness” entailed by nuclear weapons; national security required more than all-or-nothing responses.³² In the words of Jussi Hanhimaki, Kissinger believed that “only by embracing a strategic doctrine that assumed a limited nuclear war as a realistic option could the United States derive the necessary diplomatic leverage from its military arsenal” and maintain U.S. preeminence on the international stage.³³ In the absence of such a flexible doctrine, a “precarious and inflexible” equilibrium confronted the superpowers, for there existed a mutual perception that “a gain for one side appear[ed] as an absolute loss for the other.”³⁴

As Jeremi Suri notes, “Stability, not progress, became the watchword for diplomacy in

²⁹ Henry Kissinger, “Central Issues of American Foreign Policy,” reprinted in Henry Kissinger, *American Foreign Policy* (New York: Norton, 1977), 77.

³⁰ *Ibid.*, 55.

³¹ Kissinger, *White House Years*, 67; Kissinger, *American Foreign Policy*, 56; Mario Del Pero, *The Eccentric Realist: Henry Kissinger and the Shaping of American Foreign Policy* (Ithaca, New York: Cornell University Press, 2010), 9.

³² Jeremi Suri, *Henry Kissinger and the American Century* (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2007), 141.

³³ Jussi Hanhimaki, *The Flawed Architect: Henry Kissinger and American Foreign Policy* (New York: Oxford University Press, 2004), 10-11.

³⁴ Kissinger, *White House Years*, 67.

the 1960s.”³⁵ Yet Kissinger noted that military bipolarity “has actually encouraged political multipolarity,” a condition more conducive to establishing a stable international order and a testament to the phenomenon that “a gargantuan increase in [nuclear] power had eroded the relationship of power to policy” in the years since the division of East and West.³⁶ Indeed, Kissinger observed that newer nations had “prove[n] shrewdly adept at playing the superpowers against each other, even while the military predominance of the superpowers [was] enormous and growing.”³⁷

To the Continental Kissinger, the “deepest challenge” for the U.S. during the 1970s would be to “evoke the creativity of a pluralistic world, to base order on political multipolarity even though overwhelming military strength will remain with” the U.S. and Soviet Union.³⁸ Although the U.S. and the Soviet Union maintained the ability to destroy each other with a nuclear exchange, Kissinger was convinced that such a confrontation was immoral, unlikely and, moreover, the superpowers “could not necessarily use this [nuclear] power to impose their will” on non-nuclear states incapable of retaliation.³⁹ Therefore, Kissinger advocated a military policy of deterrence, and sought to restore the primacy of U.S. and Soviet influence throughout the world while avoiding a nuclear war in a period of U.S.-Soviet détente. As Gaddis has written, Kissinger believed that the moral strength “inherent in détente lay in its avoidance of war and revolution, no small accomplishment in a nuclear age.”⁴⁰

³⁵ Jeremi Suri, *Power and Protest: Global Revolution and the Rise of Détente* (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2003), 43.

³⁶ Kissinger, *American Foreign Policy*, 56; Kissinger, *White House Years*, 66.

³⁷ Kissinger, *White House Years*, 67.

³⁸ Kissinger, *American Foreign Policy*, 57-58.

³⁹ Kissinger, *White House Years*, 67.

1969: Nixon, U.S.-Soviet Foreign Policy, and the Backchannel

In light of these views, President Nixon's choice of Kissinger as National Security Advisor seems a perfect match, even if the partnership seemed quite peculiar on a personal level. As Nixon himself later acknowledged in his memoirs: "The combination was unlikely—the grocer's son from Whittier [Nixon] and the refugee from Hitler's Germany [Kissinger], the politician and the academic. But our differences helped make the partnership work."⁴¹ Nixon also maintains in his memoirs that he chose Kissinger as his National Security Advisor "in an uncharacteristically impulsive way," although he was certainly aware and appreciative of Kissinger's knowledge of foreign policy and influence within the Washington establishment as a prominent academic. Most importantly, Nixon knew that he and Kissinger "shared a belief in the importance of isolating and influencing the factors affecting worldwide balances of power" – an outlook on American foreign policy that certainly harmonized with Kissinger's Continental realism.⁴²

By the time Nixon assumed office in 1969, threats to U.S. security were still defined "in terms of the existence of an ideology [communism] that was, by definition, hostile" to a global stability anchored by U.S. control. American military intervention in Vietnam accorded tragic credence to this definition, as the war to halt the spread of communism to North Vietnam was justified in part to ensure the security of the U.S. and the non-communist world against Soviet and Chinese expansionism. During the beginning of their partnership, Nixon and Kissinger would pursue opportunities within a Continental realist framework to refute this definition, a refutation given credibility by the growing, and highly visible, rift between China and the Soviet

⁴⁰ Gaddis, *The Cold War: A New History* (New York: Penguin Books, 2005), 182.

⁴¹ Richard Nixon, *RN: The Memoirs of Richard Nixon* (New York: Grosset & Dunlap, 1978), 341.

Union that had significantly altered the geopolitical landscape by the late 1960s.⁴³ Thus, Nixon and Kissinger sought to create “a strategy that would combine the tactical flexibility of the Kennedy-Johnson system with the structure and coherence of Eisenhower’s, while avoiding the short-sighted fixations that had led to Vietnam or...equally myopic ideological rigidities.”⁴⁴

In his global vision, Nixon believed that American foreign policy had been “held hostage” during the 1960s as a result of over-emphasizing specific foreign policy priorities—most prominently the Vietnam War, which had destroyed Lyndon Johnson’s presidency and shattered the confidence of the American people in their leaders. The “central factor” in 1968, according to Nixon, remained America’s role as “the main defender of the free world against the encroachment and aggression of the Communist world.”⁴⁵ As John Lewis Gaddis notes, “the perception of power had become as important as power itself” during the late 1960s, and although both Nixon and Kissinger accepted the reality of communist states within a Continental realist paradigm, they nevertheless believed that communist victories nurtured a global perception of U.S. weakness that had to be avoided at all costs in defense of the national interest.⁴⁶

In order to facilitate their Continental realist foreign policy design, Kissinger—whose influence with Nixon was never foreordained, but rather grew incrementally from 1969 onward—recommended that Nixon construct a National Security Council that would operate within the White House to coordinate and develop foreign policy options for executive decision-making, which would effectively shut out the State Department, Congress, and other government

⁴² Ibid., 340.

⁴³ Gaddis, *Strategies of Containment*, 284-5.

⁴⁴ Ibid., 275.

⁴⁵ Nixon, *Memoirs*, 343.

appendages from influencing U.S. foreign policy-making.⁴⁷ Such tight control of foreign policy-making creates an optimal environment in which the Continental realist can operate free of bureaucratic impediments – an environment that suited Kissinger quite nicely. Of course, it must also be noted that Nixon and Kissinger, both known to have a penchant for personal aggrandizement, likely consolidated their foreign policy power in the White House in part to ensure that they, rather than any other sectors of the bureaucracy, would reap the credit for any U.S.-Soviet breakthroughs in diplomacy while simultaneously bolstering Nixon’s domestic political stature.⁴⁸

Rather than compartmentalize mutual U.S.-Soviet interests at the negotiating table, Nixon and Kissinger “decided to link progress in such areas of Soviet concern as strategic arms limitation and increased trade with progress in areas that were important to us—Vietnam, the Mideast, and Berlin.”⁴⁹ This strategy would coalesce into the “linkage” policy that served as the central element of U.S.-Soviet diplomacy within the framework of Continental realism during the Nixon-Kissinger partnership. As Kissinger later put it, linkage was “an essential tool” that he and Nixon would use “to free our foreign policy from oscillations between overextension and isolation and to ground it in a firm conception of the national interest”—a concise articulation of his Continental realist strategy that previous policy-makers had neglected to emphasize.⁵⁰

With regard to Vietnam, the most pressing issue facing the new administration, Nixon wanted “to end the war as quickly as was honorably possible,” but was determined that “the only

⁴⁶ Gaddis, *Strategies of Containment*, 288.

⁴⁷ Garthoff, 79.

⁴⁸ Robert Dalleck, *Partners in Power: Nixon and Kissinger* (New York: HarperCollins Publishers, 2007), 111-112.

⁴⁹ Nixon, *Memoirs*, 346.

⁵⁰ Kissinger, *White House Years*, 130.

possible course” was to reach “a fair negotiated settlement that would preserve the independence of [non-communist] South Vietnam.”⁵¹ Thus, the crucial tasks of the in-coming Nixon administration—reaching a negotiated settlement in Vietnam; establishing an agreement with the Soviets regarding the permanence of Western rights in Berlin; reaching a strategic arms agreement that would limit the continuing Soviet military buildup; and establishing some means of managing Third World crises so that they would neither escalate out of hand nor further Moscow’s design—were many and formidable.⁵² As Kissinger succinctly summarized it in his memoirs:

Simultaneously we had to end a war [Vietnam], manage a global rivalry with the Soviet Union in the shadow of nuclear weapons, reinvigorate our alliance with the industrial democracies, and integrate the new nations into a new world equilibrium that would last only if it was compatible with the aspiration of all nations.⁵³

While Kissinger would devote serious attention to all of these high policy issues throughout his career, the degree of his success with regard to each would vary considerably.

One prominent scholar describes the Continental realist statesman as the “single great master” who may work alone “as the servant of another master of the foreign policy universe” but, more often, “stands alone in confrontation with rivals.”⁵⁴ Such a description is quite relevant to the Continental Kissinger, who in this case can be seen as the “single great master” of foreign policy, engaging in diplomacy alone with the Soviet “rivals” as the “servant” of Nixon—his “master” of U.S. foreign policy. In February 1969, at Nixon’s orders, Kissinger established a diplomatic back channel—or a secret diplomatic channel known only to the actors involved—

⁵¹ Nixon, *Memoirs*, 349; George Herring, *America’s Longest War: The United States and Vietnam, 1950-1975* (New York: John Wiley & Sons, Inc.), 1979, 218.

⁵² Gaddis, *Strategies of Containment*, 293.

⁵³ Kissinger, *White House Years*, 69.

⁵⁴ Mead, 39.

with Anatoly Dobrynin, a long-time Soviet ambassador to the United States who forged his diplomatic skills during the Cuban Missile Crisis in 1962.⁵⁵ A “meticulous Soviet student of our democratic politics,” Kissinger assessed Dobrynin to be “suave...by any criteria,” and his “skill at putting his American interlocutor on the defensive was infinite.”⁵⁶ The Kissinger-Dobrynin back channel was to be *the* venue of U.S.-Soviet negotiations regarding high policy issues of critical importance and the Continental Kissinger later justified the channel in his memoirs as “a way to explore the terrain” and “avoid major deadlocks” in U.S.-Soviet relations.⁵⁷

Indeed, as Nixon assured Dobrynin, “if serious business was to be done, it was to be done in our channel.”⁵⁸ Conversely, Dobrynin assured Kissinger that his superiors in Moscow favored discussing matters of high policy with Kissinger alone, which suited the Continental Kissinger nicely.⁵⁹ For the next few years, Kissinger and Dobrynin would work together through this back channel to shape the foreign policy decision-making of both the U.S. and the Soviet Union (while insulating Nixon and Kissinger from the State Department bureaucracy), with the ultimate bilateral goal of achieving a superpower détente, and fulfilling Kissinger’s Continental realist vision of maintaining U.S. dominance in an emerging multi-polar world. As he assured Dobrynin

⁵⁵ Dalleck, 110.

⁵⁶ Kissinger, *White House Years*, 140, 544, 555.

⁵⁷ *Ibid.*, 139. Kissinger succeeded in establishing other back channels with interlocutors from other states, such as Egon Bahr of West Germany. The purpose of these additional back channels, however, remained the same as that of the Kissinger-Dobrynin channel, as explained above.

⁵⁸ Memcon between Nixon, Kissinger, and Dobrynin, U.S. State Department, Washington, 10 June 1970. *Foreign Relations of the United States* (hereinafter cited as *FRUS*), 1969-1976, Volume XII, Soviet Union, Document #167: <http://history.state.gov/historicaldocuments>.

⁵⁹ Memcon between Kissinger and Dobrynin regarding the Middle East, U.S. State Department, Washington, 29 December 1969. *FRUS*, 1969-1976, Volume XII, Soviet Union, #112.

on December 29, 1969: “there might be some merit in exploring what a détente might look like were the political conditions right to achieve it.”⁶⁰

Not surprisingly, the crucial U.S. foreign policy issue of 1969, as well as the rest of the years of the Nixon administration, would be the Vietnam War. To Kissinger, this domestically divisive regional conflict had the dangerous potential to undermine the international credibility of the U.S. to preserve peace and strengthen “the confidence and hopes of free peoples” around the world.⁶¹ Therefore, this conflict became the central focus of Kissinger’s diplomatic exchanges with Dobrynin in seeking progress in U.S.-Soviet relations during his tenure in the first Nixon administration, and indeed when one examines the volume of recently declassified White House memorandums between Kissinger and Dobrynin, the Vietnam issue can be recognized as the central thread of their diplomatic relationship. Resolving the Vietnam issue, then—an issue of high policy and domestic volatility to Kissinger—coalesced into the benchmark for “progress” in U.S.-Soviet relations at the outset of the Nixon administration, and was therefore the primary high policy issue within Kissinger’s Continental realist paradigm. While conferring on the direction of progress in U.S.-Soviet relations on June 13, 1969, the Continental Kissinger flatly told Dobrynin that “everything depended on the war in Vietnam. If the war were ended, [Dobrynin] could say [to his Soviet superiors] that there was no limit to

⁶⁰ Memcon between Kissinger and Dobrynin regarding requirements for détente, U.S. State Department, Washington, 29 December 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #112.

⁶¹ Kissinger, *White House Years*, 125.

what might be accomplished” in making progress on other U.S.-Soviet issues—including, as will be seen, expansion of East-West trade.⁶²

A Gradual “Linkage:” East-West Trade Emerges in the Backchannel

According to the doctrine of Continental realism, trade and economic issues are considered tangential, at best. However, East-West trade had steadily grown in political importance by the time of Kissinger entered the White House.

The onset of the Cold War brought with it profound restrictive changes to trading patterns between East and West, or between the Western allies and those of the Soviet Union in Eastern Europe and Asia. As a component of the U.S. Cold War foreign policy toward the Soviet Union, U.S. policy-makers at first thought it entirely logical “to withhold trade that would significantly help the Soviets militarily.”⁶³ From 1945 to the late 1960s, however, U.S. efforts to coordinate East-West trade policies through COCOM (Coordinating Committee), the OECD (Organization for Economic Co-operation and Development), and NATO proved not entirely successful “largely because of the reluctance of other Western countries to subordinate their economic interests to the political-military considerations” dictated by the U.S.⁶⁴

With the passage of the Export Control Act of 1949—the first significant Congressional legislation to place restrictions on trade with the Soviet Union—the U.S. had instituted domestic licensing controls for all commodities exported to communist countries “for purposes of security

⁶² Memcon of Kissinger-Dobrynin exchange regarding U.S.-Soviet relations, U.S. State Department, Washington, 13 June 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #56; Herring, *America’s Longest War*, 221.

⁶³ National Security Study Memorandum 247 (hereafter cited as NSSM 247), National Security Council, Policy objectives toward the USSR, Box 48, 2, Gerald Ford Library.

and to assure that priority was given to the needs of the Marshall Plan aid recipients” of Western Europe. For the West, export controls in effect resembled the equivalent of political containment, allowing the export of items with indirect military industrial potential to the Soviets that were quantitatively controlled, while embargoing items with direct military industrial potential to the Soviets.⁶⁵ Although COCOM was designed to foster Western cooperation in controlling and revising the list of items eligible for export to the Soviet Bloc, tensions within the Western alliance became manifest following the U.S. passage of the Battle Act in 1951—Congressional legislation that reflected the most visible influence of conservative anticommunism—which allowed the President to “terminate aid to any country that violated the embargo.”⁶⁶ The subsequent infusion of Cold War tensions in East-West trade resulted in far-reaching U.S.-imposed trade restrictions that went too far for many Western COCOM countries.⁶⁷ Especially in terms of “dual-use goods,” West European allies sought to define “strategic goods” more narrowly, and “non-strategic goods” more broadly, than the U.S.⁶⁸ Although the U.S. responded periodically to Western European calls of trade liberalization by revising the COCOM list, generally speaking, “the U.S. position limited [trade] liberalization to less than desired by other COCOM members.”⁶⁹ Furthermore, U.S. impositions of unilateral authority in NATO during the 1960s—such as restricting sales of large diameter pipe by NATO countries to the USSR, and calling for a common East-West credit policy coordinated through NATO—were “generally

⁶⁴ Ibid., 5.

⁶⁵ Funigiello, 34, 36.

⁶⁶ NSSM 247, 6, Gerald Ford Library; Funigiello, 21.

⁶⁷ NSSM 247, 7, Gerald Ford Library.

⁶⁸ Funigiello, 84-85.

⁶⁹ NSSM 247,7, Gerald Ford Library.

unsuccessful” in gaining the support of Western allies.⁷⁰ Indeed, by the time Nixon took office in 1969, the West viewed “Cold-War policies that included sharp restrictions on trade with the East...as inadequate to the containment of Soviet power and inhibiting to efforts to deal politically with the Soviets and the East Europeans.” For its part, the Soviet leadership sought to relax East-West trade restrictions by this time and believed that such a relaxation “could have a valuable, positive effect on the development of backward sectors of the Soviet economy.”⁷¹

Thus, the U.S. faced a “serious economic challenge” to its world supremacy as well as a threat to Western unity, and the crucial importance of East-West trade to both the U.S. and its Western allies had created the conditions for its inclusion within Kissinger’s Continental realist paradigm by 1969.⁷² The Export Control Act, which was due to expire on June 30, 1969, was the most urgent East-West trade issue facing the incoming Nixon administration.⁷³ Although the economies of both the Soviet Union and its Eastern European allies did not rely primarily on trade with the West, U.S. export controls had imposed a “heavy cost” on the Soviets in specialized technology fields, such as advanced computers. The quality of general economic growth in communist countries had also been adversely affected by over two decades of U.S. export controls.⁷⁴ By 1969, the list of embargoed items for the U.S. far exceeded that of COCOM, and this disparity had produced frictions between the U.S. and its Western allies, as well as the U.S. and its domestic business firms that were denied profitable enterprise from East

⁷⁰ Ibid., 11.

⁷¹ Ibid., 14. For a fuller discussion of the Soviet economy during the early 1970s, see chapter 2.

⁷² Hanhimaki, 29.

⁷³ Action Memorandum from Kissinger to Nixon regarding East-West Trade, U.S. State Department, Washington, undated (but likely issued in early May, 1969). *FRUS, 1969-1976, Volume IV, Trade Policies*, #298.

⁷⁴ Paper Prepared in the National Security Council Staff regarding U.S. trade policy toward communist countries, U.S. State Department, Washington, undated (but likely prepared before May 12, 1969). *FRUS, 1969-1976, Volume IV, Trade Policies*, #292.

European countries.⁷⁵ Despite these tensions, however, a National Security Council (NSC) study conducted in early 1969 and coordinated by Kissinger estimated that a relaxation of trade restrictions would produce “only a moderate effect on expanding trade” with Eastern Europe, and suggested the difficulty in predicting the effect that a relaxed U.S. trade policy would have on East-West political relations. While it was plausible to suspect that a strategy of “using trade selectively to encourage political autonomy” in Eastern Europe might succeed—as this would serve the U.S. strategic objective of “diminishing the Soviet Union’s power and interests in specific Eastern European countries”—it was equally reasonable to assume, according to the study, that such a trade expansion might also exacerbate U.S.-Soviet tensions by inducing the Soviets to exercise tighter control over Eastern European countries.⁷⁶

Kissinger was certainly aware of the movement in Congress to liberalize East-West trade legislation by the time he became Nixon’s National Security Advisor, and the growing prominence of East-West trade likely compelled him to ponder the role of trade and economic issues within his Continental realist paradigm. He agreed that the Export Control Act of 1949 had inflicted only a marginal impact on the Soviet Bloc countries, and that it was “a source of irritation” between the U.S. and its businessmen and Western allies.⁷⁷ When asked to submit their recommendations on the direction that the U.S. should take on East-West trade, all of Nixon’s Executive departments opposed tightening trade restrictions.⁷⁸ In his own recommendations to Nixon in May 1969—based “largely on foreign policy considerations”

⁷⁵ Ibid.

⁷⁶ Ibid.; Kissinger, *White House Years*, 155.

⁷⁷ Paper Prepared in the National Security Council Staff regarding U.S. trade policy toward communist countries, U.S. State Department, Washington, undated (but likely prepared before May 12, 1969). *FRUS, 1969-1976, Volume IV, Trade Policies*, #292.

⁷⁸ Ibid.

rather than domestic concerns, a statement clearly reflective of Continental realist thinking—Kissinger suggested that the President support the Muskie-Mondale bill, which called for a modest liberalization of export controls against the Soviets (although after congressional wrangling by conservative Republicans, this bill would coalesce into the Export Administration Act of 1969, passed in December 1969); that the administration signal its support for expanded trade in a “low key” manner that left “open the possibility of increased trade if the political context changed”; that Nixon support any bill granting executive authority over MFN (Most Favored Nation) status, but not support legislative initiatives regarding Export-Import Bank financing restrictions (a decision that would come to haunt Nixon and Kissinger in later years); that the U.S. and COCOM control lists should establish coherence to benefit American businessmen, “since otherwise we merely lost business to our allies without affecting Communist conduct”; and that trade differentiation among Eastern European countries should continue.⁷⁹ Thus, Kissinger’s recommendations indicate that he did not value East-West trade as a distinct high policy issue and, in a rather haphazard way, suggested leaving open the possibility of using trade to “sweeten the pot” for Soviet political concessions on high policy issues.

Additionally, Kissinger embraced the same non-committal attitude with regard to specific pending U.S.-Soviet trade issues—including granting licenses for an oil extraction plant and an engine foundry on the Kama River, as well as corn sales to the Soviet Union—until Kissinger and Nixon could “better assess our overall political relations with the USSR.”⁸⁰ Although Kissinger and Nixon did authorize export licenses for the Kama River truck foundry during the late summer of 1971—an action that Kissinger rationalized as an appeasement to the U.S.

⁷⁹ Ibid.

business firms involved, yet framed as a “unilateral American gesture”⁸¹ to Dobrynin—this decision “was made after considering the national security and commercial aspects” of the issue.⁸² In summarizing his early position on East-West trade, then, Kissinger declared that “we should be prepared to move generously to liberalize our trade policy toward the Soviet Union and the other Eastern European countries whenever there is sufficient improvement in our overall relations with them.”⁸³

Thus, by May of 1969, Kissinger had, in small ways, begun to envision East-West trade within his Continental realist paradigm as a component of the Nixon-Kissinger linkage strategy toward the Soviet Union, stressing the primacy of improved political relations as an essential prerequisite for expanding East-West trade. Kissinger was certainly aware of a weak Soviet economy at the time that could be exploited by U.S. trade concessions, reflecting in his memoirs that “expanding trade without a political quid pro quo was a gift.”⁸⁴ Because of its provision granting Executive discretionary power over export controls—a measure that, like the Soviet back channel, Kissinger found conducive to Continental realism by further consolidating foreign policy making in the White House—Kissinger favored the Export Administration Act of 1969 as a crucial mechanism from which he and Nixon could maximize economic leverage over the Soviets in the form of trade concessions. Unlike many supporters of this legislation, however, the

⁸⁰ Ibid.

⁸¹ Action Memorandum from Kissinger to Nixon, U.S. State Department, Washington, undated. *FRUS, 1969-1976, Volume IV, Trade Policies*, #343. Kissinger agreed with Secretary of Commerce Stans’ argument that Nixon should grant the applications of U.S. firms to participate in the Kama River truck foundry before the Soviets contracted with other nations on the project. In effect, Kissinger agreed on such authorization as a nod to American businessmen, rather than as a gesture of goodwill toward the Soviets free of a political quid pro quo.

⁸² Memorandum from Kissinger to Stans, U.S. State Department, Washington, 5 August 1971. *FRUS, 1969-1976, Volume IV, Trade Policies*, #346.

⁸³ National Security Decision Memorandum 15, U.S. State Department, Washington, 28 May 1969. *FRUS, 1969-1976, Volume IV, Trade Policies*, #299.

Continental Kissinger did not envision expanded trade relations as a means to alter the internal political dynamics of the Soviet Union, a conviction that would work against him in later years. As Jussi Hanhimaki has pointed out, although Kissinger came to see East-West trade as an “integral ingredient of linkage,” he did not “share the belief that increased trade with the Soviet Bloc would bring these countries closer to the American way of thinking” as many Democratic senators did.⁸⁵

Until the end of 1971, Kissinger could only conceptualize “political progress” with the Soviet Union in Continental realist terms of ending the Vietnam War—at once the primary high policy and domestic issue facing the Nixon administration. During the first three years of the Nixon administration, however, Kissinger found that U.S.-Soviet progress toward ending the Vietnam War would be incremental at best. In many of their frequent back channel discussions during this period, Kissinger made it clear to Dobrynin that “the Soviet Union should not expect any special treatment until Vietnam was solved.”⁸⁶ Yet despite what Kissinger characterized as Dobrynin’s tendency to make an “effusive statement of the need for Soviet/American cooperation and of the good faith of his government and earnestness in trying to seek it,” Kissinger quickly discovered that the Soviets were unable (or, as he thought at the time, unwilling,) to encourage their North Vietnamese allies to establish a negotiated peace with the U.S.⁸⁷ Rather than acquiesce in Dobrynin’s apparent obstinacy on this vital issue, however,

⁸⁴ Kissinger, *White House Years*, 152-53.

⁸⁵ Hanhimaki, 52.

⁸⁶ Memcon between Kissinger and Dobrynin, U.S. State Department, Washington, 27 September 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #85.

⁸⁷ Memcon from Kissinger to Nixon regarding Kissinger-Dobrynin Vietnam negotiations, U.S. State Department, Washington, 24 December 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #110.

Kissinger resolved to stand firm with the skilled Soviet ambassador in seeking a resolution to the Vietnam problem.

Reflecting his mounting frustration over failing to make significant progress with the Soviets in reaching a negotiated Vietnam settlement, Kissinger briefly summarized the troubled status of U.S.-Soviet relations to Dobrynin in a meeting during March 1970 with a clear Continental realist emphasis on high policy negotiations: “Our countries [are] at a turning point. We are prepared to deal with the Soviet Union precisely, correctly, unemotionally, and thoroughly in the direction of détente, if the Soviet Union would forego its policy of attempting to squeeze [the U.S.] at every opportunity”—referring in large part to Soviet failure to cooperate on Vietnam.⁸⁸ Again, in a meeting that took place one month later, the Soviet ambassador assured Kissinger that there was great interest in Moscow of holding a summit meeting between the two superpowers to discuss a reappraisal of U.S.-Soviet relations and prospects for a genuine détente. Kissinger responded predictably that the U.S. would be receptive to such a meeting with the Soviets “if there were the prospect of a major breakthrough on Vietnam.”⁸⁹ In reality, however, Kissinger’s interpretation of Soviet failure to cooperate on ending the Vietnam War was misguided. The prolonged ideological struggle for world communist hegemony between the Soviet Union and China was elevated to new levels of tension during the Vietnam War, as both powers tried to exert dominant influence on their North Vietnamese ally. Kissinger thus failed to

⁸⁸Memcon between Kissinger and Dobrynin regarding U.S.-Soviet progress, U.S. State Department, Washington, 20 March 1970. *FRUS, 1969-1976, Volume XII, Soviet Union*, #145.

⁸⁹Memcon between Kissinger and Dobrynin on SALT and Middle East talks, U.S. State Department, Washington, 7 April 1970. *FRUS, 1969-1976, Volume XII, Soviet Union*, #150.

appreciate the limited extent to which the Soviets could aid in a negotiated settlement between the U.S. and North Vietnam.⁹⁰

Throughout his discussions with Dobrynin between February 1969 and the end of 1971, Kissinger only reluctantly and infrequently included East-West trade within his Continental realist paradigm as a lever for making progress with the Soviets toward a Vietnam settlement, rather than regarding trade as a distinct high policy issue. Nor did Kissinger ever retreat from the conviction that progress in trade would only follow political progress. In one such typical exchange between the two men on May 14, 1969, Kissinger assured the Soviet ambassador: “If we can end [Vietnam], it will encourage friendly cooperation between our two countries. I am willing to move forward on a broad front including talks at the highest levels of expansion of trade. But an end of the war in Vietnam is key.”⁹¹ Indeed, Kissinger frequently assured Nixon during their first three years in office that Dobrynin “knew how we related [Vietnam] to other issues,” referring to trade and other issues that Nixon and Kissinger regarded at the time as of secondary importance.⁹² In September of 1969, when Dobrynin asked Kissinger why there had been no progress on trade liberalization after nearly nine months of the Nixon Administration, Kissinger’s response, as he later reported to Nixon, succinctly illustrated his embrace of Continental realism by using East-West trade as a political lever against the Soviet Union:

Dobrynin...engaged in a lengthy exposition to the effect that the Soviet Union, for its own reasons, was interested in peace in Vietnam and had in the past often been helpful. I countered that we had no illusions about Soviet help in the past. It had been considerably

⁹⁰ Garthoff, 281-87, 293-94

⁹¹ Memcon between Kissinger and Dobrynin regarding U.S.-Soviet progress, U.S. State Department, Washington, 14 May 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #48.

⁹² Memcon between Kissinger and Dobrynin regarding Vietnam, U.S. State Department, Washington, 24 December 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #110.

in the interest of Hanoi and had been largely tactical. Dobrynin said that he wanted to assure me of Moscow's continued interest in improved relations with the U.S., but it was getting very difficult to convince Moscow of our goodwill. There had been no real progress on any subject. For example, we could have been more generous on trade liberalization. I said the most important issue was Vietnam. As soon as Vietnam was out of the way and especially if the Russians took an understanding attitude, we would go further.⁹³

Yet the Vietnam War dragged on into 1971 without a negotiated settlement in sight, and Kissinger held to his Continental realist "linkage" strategy of withholding trade concessions in his exchanges with Dobrynin. In December 1969, Dobrynin persisted in what Kissinger saw as an apparent misunderstanding of what constituted U.S.-Soviet "progress" when he told Kissinger that "the Soviet Government was approaching relations with the United States with an open mind and with good will," but "the Administration had not liberalized trade."⁹⁴ Nearly a year later on June 10, 1970, when Dobrynin accused the U.S. of being the "chief obstacle" to the fruition of a European Security Conference, Kissinger replied that he didn't understand "why it was necessary to have a big conference simply to settle cultural and trade matters" when crucial high policy issues (i.e. Vietnam) were left unresolved – yet another reiteration of his Continental realism.⁹⁵ When Dobrynin asked Kissinger if expanding trade was a realistic point of discussion at a summit meeting, Kissinger replied ambiguously that "this depended on the general state of our relationship."⁹⁶ For his part, Dobrynin had long sensed that "America always puts politics

⁹³ Editorial note disclosing a conversation between Kissinger and Dobrynin, U.S. State Department, 27 September 1969. *FRUS, 1969-1976, Volume VI, Vietnam*, #125.

⁹⁴ Memcon between Kissinger and Dobrynin regarding Vietnam, U.S. State Department, Washington, 24 December 1969. *FRUS, 1969-1976, Volume XII, Soviet Union*, #110.

⁹⁵ Memcon between Kissinger and Dobrynin regarding various bilateral issues, U.S. State Department, Washington, 10 June 1970. *FRUS, 1969-1976, Volume XII, Soviet Union*, #168.

⁹⁶ Memcon between Kissinger and Dobrynin, U.S. State Department, Washington, 7 April 1970. *FRUS, 1969-1976, Volume XII, Soviet Union*, #150.

ahead of good sound economics,” and was therefore “not optimistic about trading opportunities between the US and USSR” during the Nixon administration.⁹⁷

In conceptualizing a viable linkage strategy, Nixon agreed with his National Security Advisor that East-West trade could serve as a valuable incentive for making political progress with the Soviets in Vietnam negotiations—rather than treating trade as a separate and distinct high policy issue—and may have actually influenced Kissinger’s thinking on including East-West trade within his Continental realist paradigm. As early as April 1969—nearly a full month before Kissinger first raised the trade issue in his discussions with Dobrynin—Nixon suggested to Kissinger that he use East-West trade as a political incentive in his back channel discussions with the Soviet ambassador, writing to Kissinger that the U.S. was “[w]illing to discuss broad *relaxation of trade* restrictions” with the Soviets.⁹⁸ In a memorandum of a conversation between U.S. and Soviet officials on October 22, 1970, Nixon echoed Kissinger’s Continental realist diplomacy by reaffirming the primary importance of linking Vietnam to expanding East-West trade and improving U.S.-Soviet relations:

The President said that...the Vietnam war, which involved our primary and basic interests, was bound to have an inhibiting influence on [U.S.-Soviet] trade. It was a fact that under our legislative arrangements some items which could be used to aid North Vietnam could not be exported to the Soviet Union. We were indeed prepared to explore ways in which trade between our two countries could be increased. He did not like to use the word “linkage,” but it was true nevertheless that a settlement of [Vietnam] would lead to increasing economic exchanges between [the U.S. and Soviet Union]. [Nixon]

⁹⁷ Memorandum from Kissinger to Nixon, U.S. State Department, Washington, March 1969 (no precise date given). *FRUS, 1969-1976, Volume XII, Soviet Union*, #29.

⁹⁸ Kissinger Talking Points, U.S. State Department, Washington, April 1969 (no precise date given). *FRUS, 1969-1976, Volume XII, Soviet Union*, #35.

therefore felt that if our political relations improved, increased trade would follow naturally. This was in our interest as well as in the interest of the Soviet Union.⁹⁹

Indeed, Nixon consistently emphasized the point that “it was essential that the U.S. attitude with respect to increasing trade with the Soviet Union be governed completely by the state of our political relations.”¹⁰⁰ Near the end of 1971, Nixon assured executive officials that the Soviets “know very well that if you make progress on the political front, that you’ll make progress on the trade front. The way I’ve always described it is this: that you never say trade and political accommodation are linked. But the two are just inevitably intertwined. If you move on one it helps the other.”¹⁰¹

So Kissinger grudgingly accepted East-West trade as a component of the Nixon “linkage” strategy against the Soviet Union by 1971 and adapted his foreign policy to incorporate trade as an instrument for protecting the U.S. national interest and restraining external Soviet behavior. Even so, trade would play a secondary role. In a meeting with the Business Council at the end of 1971, Kissinger reaffirmed his Continental realist assertion that trade progress would only follow political progress with the Soviet Union and predicted, “if those political advances continue we will see a tremendous growth in trade with the Russians.”¹⁰²

In his negotiations with Soviet Ambassador Dobrynin from early 1969 until the end of 1971, Kissinger had reaffirmed his Continental realism by only gradually and infrequently

⁹⁹ Memcon between U.S. officials (Nixon, Kissinger, Rogers) and Soviet officials (Gromyko, Dobrynin) on the state of U.S.-Soviet relations, U.S. State Department, Washington, 22 October 1970. *FRUS, 1969-1976, Volume VII, Vietnam*, #58.

¹⁰⁰ Telecon between Kissinger and Secretary of Commerce Stans in editorial note, U.S. State Department, Washington, 7 December 1971. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #20.

¹⁰¹ Memcon between Nixon, Stans, Rogers, and Haig, U.S. State Department, Washington, 15 November 1971. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #12.

embracing East-West trade as a component of his restrictive “linkage” strategy in terms of a quid-pro-quo for Soviet political concessions—namely, enlisting Soviet cooperation on ending the Vietnam War.

¹⁰² Memcon between Kissinger and the Business Council, U.S. State Department, Washington, 1 December 1971. *FRUS, 1969-1976, Volume I, Foundations of Foreign Policy*, #101.

CHAPTER 2

TRADING AT THE MOSCOW SUMMIT, MAY 1972

Approaching the Summit: the Expanding Utility of East-West Trade

By 1972, however, the “political advances” that Kissinger had spoken of to the Business Council at the end of 1971 would no longer be restricted to the form of Soviet cooperation on Vietnam. During this May the watershed for Kissinger’s foreign policy, was inaugurated with the Moscow summit. It launched a new era of relaxed U.S.-Soviet relations known as *détente*, in which both countries entered into agreements on arms control, the Middle East, and—at least in principle—future expansion of East-West trade relations. Although the conflict in Southeast Asia would remain the primary high policy issue facing Nixon and Kissinger until the cease-fire of January 1973, it had become clear to Kissinger that the U.S. must look elsewhere for progress on the foreign policy front—especially SALT—in order to accrue enough political gains to ensure Nixon’s re-election in November.

As early as the summer of 1970, with the Vietnam negotiations stalled, Kissinger had foreshadowed a change in this policy by raising to Nixon the possibility of using East-West trade against the Soviet Union on other high policy issues apart from Vietnam. In discussing the realistic dimensions of a U.S.-Soviet SALT agreement with Nixon on July 13, 1970, Kissinger viewed expanded East-West economic relations as a probable long-term consequence of any such agreement that would have to be addressed in order to achieve further progress in U.S.-Soviet relations: “One area of new problems for us would be in *East-West economic relations*. We would find it difficult to reconcile a SALT agreement with a restrictive policy on both trade

and technological exchanges. We could no longer argue persuasively that our purpose was to prevent the enhancement of Soviet strategic capabilities.” Indeed, Kissinger stressed the importance of expanded trade to the Soviet leadership, concluding that “[i]f a SALT agreement produced a generally conciliatory American attitude, including more generous economic policies toward the USSR, the Soviets would have a strong incentive to keep us on such a course.”¹⁰³ Thus, even before 1972, Kissinger had at least considered a possible shift in his Continental realism with regard to using East-West trade against the Soviets for political gains in other high policy issues apart from ending the Vietnam War, although he still did not regard East-West trade as a distinct high policy issue.

If Kissinger could not use trade concessions to induce Soviet cooperation in ending the Vietnam War, his only “realistic” course was to link trade to other high policy issues—particularly SALT—in which he predicted a high probability of achieving political success with the Soviet Union, as well as significant domestic political success for Nixon at home. Kissinger also knew that the Soviets were struggling to maintain a weak economy and therefore desperate for liberalized East-West trade relations. By the early 1970s, the centralized industrial planned economy operating within the Soviet Union had yielded a low standard of living in many key sectors, such as housing and agriculture. With a disproportionate amount of national defense spending, the Soviet leadership called for an increase in consumer goods, and sought Western food and technology imports.¹⁰⁴ Therefore, in 1971, the 24th Party Congress and the adoption of the Ninth Five-Year Plan had signaled the institutionalization of East-West trade in Soviet

¹⁰³ Memorandum from Kissinger to Nixon, U.S. State Department, Washington, 13 July 1970. *FRUS, 1969-1976, Volume XXXII, SALT I*, #95.

foreign policy and planning. Although the Soviets could readily trade with Western Europe to obtain key industrial machinery and equipment, the U.S. was the only potential trade partner capable of alleviating Soviet grain deficits and providing superior energy technology, such as materials for gas liquefaction plants.¹⁰⁵ Thus, by early 1972, the Soviets were more than eager to negotiate with the U.S. on other high policy issues in return for an expansion of East-West trade.

By October 12, 1971, a summit meeting between the U.S. and the Soviet Union was publicly announced for May of the following year in Moscow, and Kissinger's conversations with both Nixon and Dobrynin during the early months of 1972 focused heavily on the issues that would likely be up for discussion at this monumental event in post-war U.S.-Soviet relations.¹⁰⁶ Not surprisingly, Kissinger predicted that "trade would be a very lively subject" at the summit, with Soviet Most-Favored-Nation (MFN) status and Export-Import Bank guarantees two of the most likely trade issues to be raised.¹⁰⁷ Gaining MFN status was of special importance to the Soviet leadership, for in addition to waiving the twenty percent tariff charge on American exports, MFN rendered symbolic importance in granting the Soviets equal treatment with all other nations that traded with the U.S.¹⁰⁸

¹⁰⁴ Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970-2000* (New York: Oxford University Press, 2001), 62-62, 204; Gaddis, *Cold War*, 213.

¹⁰⁵ NSSM 247, "U.S. Policy Toward East-West Economic Relations", Box 48, folder 1, 20, Gerald Ford Library; Jentleson, 135-6.

¹⁰⁶ Kissinger briefing the White House staff about Nixon's U.S.-Soviet summit announcement, U.S. State Department, Washington, 12 October 1971. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #1.

¹⁰⁷ Memorandum from Kissinger to the President's File, U.S. State Department, Washington, 12 October 1971. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #2; Memcon between Kissinger and Dobrynin, 15 February 1972, *Ibid.*, # 51.

¹⁰⁸ Werner Lippert, "The Economics of *Ostpolitik*," published in Matthias Schulz and Thomas A. Schwartz, *The Strained Alliance: U.S.-European Relations from Nixon to Carter* (New York: Cambridge University Press, 2010), 78. Without MFN status, for example, Soviet gas imports—the main Soviet export commodity to the U.S.—would be priced out of American markets under a twenty percent tariff.

In early March 1972, the Soviet leadership sent a note to Nixon indicating their readiness to receive an American trade delegation to hammer out trade talks and other economic matters.¹⁰⁹ Although clearly prepared to negotiate expanded East-West trade relations, however, the Moscow leadership was characteristically resistant to the idea of acknowledging Nixon and Kissinger's strict emphasis on linkage. In discussing East-West trade liberalization with Dobrynin in late January 1972, the Soviet ambassador implored Kissinger to "not link [trade] too formally" to other political issues at the summit, a tactic that had been clearly evident to Soviet leaders in Kissinger's past attempts to link expansion of trade to the Vietnam War in their back channel negotiations. In response, Kissinger implored Dobrynin to "understand that we consider trade related to political progress and, conversely, that if [Soviet] political behavior is unacceptable, something [negative] will happen to trade." This was, of course, a clear reiteration of the principle of linkage within Kissinger's Continental realism with regard to East-West trade that had been standard (albeit infrequent) in his discussions with Dobrynin between 1969 and the end of 1971. Unlike previous exchanges with Dobrynin, however, Kissinger no longer restrictively linked expansion of East-West trade to Soviet cooperation on ending the Vietnam War, thereby signaling a broadening of his criteria for what constituted "political progress" within his Continental realist paradigm.¹¹⁰

Months before the Moscow summit, Nixon reflected upon the changing role of East-West trade in a conversation with Secretary of State William Rogers, whom Nixon and Kissinger had kept in the dark regarding the details of the upcoming summit. Indeed, on February 3, 1972,

¹⁰⁹ Note from Soviet Leadership to Nixon, U.S. State Department, Washington, 9 March 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #56.

¹¹⁰ Memcon between Kissinger and Dobrynin, 28 January 1972. *Ibid.*, #141.

Kissinger had instructed Dobrynin to “not discuss the agenda of the upcoming summit...in detail...[and] to avoid having this agenda formally recorded in any way through State Department channels”.¹¹¹ Nevertheless on that same day, Nixon sent a memorandum to Rogers echoing Kissinger’s broadened vision of East-West trade within his Continental realist paradigm:

[W]ith regard to trade, we, of course, should continue to indicate interest [in broad trade opportunities with the Soviets] but...avoid commitments until we are further down the road on other subjects...it is my view that as far as our actions are concerned how forthcoming we will be on the trade issue, particularly where credits are concerned, will depend on how forthcoming the Soviet leaders are on political issues in which we are concerned...Trade is far more important to the Soviet Union than it is to us. It is one of the few bargaining chips we have and while we must not say that we consider it to be a bargaining chip we must be sure that we don’t give it away for nothing.¹¹²

Here, as he had done since the issue of trade first appeared in the Kissinger-Dobrynin back channel in 1969, Nixon clearly re-emphasized the value in using East-West trade as a component of linkage, as well as the fact that a stagnant Soviet economy had much to gain from an expansion in East-West trade. Yet as Kissinger had done in his above exchange with Dobrynin, Nixon no longer insisted on granting trade concessions only in return for Soviet cooperation on Vietnam. Trade concessions for Soviet cooperation on other high policy issues, especially SALT, now became acceptable—not to mention politically expedient, as the November Presidential Election drew near with an American public unconvinced that the Nixon administration had achieved any significant foreign policy successes.¹¹³ Nevertheless, Nixon himself maintained

¹¹¹ Memcon between Kissinger and Dobrynin in Washington, D.C., 4 February 1972, as recorded in Dobrynin’s Journal, 580. Accessed via National Security Archive website (hereinafter National Security Archive online), 10 April 2011: <http://www.gwu.edu/~nsarch/>.

¹¹² Memorandum from Nixon to Rogers, U.S. State Department, Washington, 3 February 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #44.

¹¹³ See Telegram from Nixon to Kissinger in Moscow, U.S. State Department, Washington, 23 April 1972. *FRUS, 1969-1976, Volume I, Foundations of Foreign Policy*, #110; and Thomas Alan Schwartz,

Kissinger's Continental realist principle that it was essential in such negotiations for the U.S. to gain a political quid-pro-quo in return for trade concessions to the Soviet Union.

There was no question that Nixon and Kissinger agreed that it was time to wring maximum political benefit from expanded East-West trade beyond the quagmire of Vietnam during the up-coming Moscow summit. In a White House conversation from January 20, 1972, Nixon and Kissinger engaged in a lengthy discussion encompassing the geopolitical situation in Vietnam between the U.S., the Soviet Union, and China, as well as other bilateral issues—including trade—that were sure to arise at the summit. Turmoil had once again flared up in the Middle East, adding yet another strain to U.S.-Soviet relations; the Vietnam peace negotiations remained at a standstill; and both Nixon and Kissinger had realized that East-West trade remained a powerful, yet unexploited tool in negotiations with the Soviet Union. Seizing on the promising potential of using trade and Middle East negotiations simultaneously as a temporary solution to sidestep Vietnam for other foreign policy gains in time for the November Election, Kissinger assured Nixon that

If you are the one that delivers [a negotiated peace settlement in Vietnam], you need to be strong [on other foreign policy issues]...that's why we have to set up trade, and the Middle East [during the summit], in such a way that *you* are the one that has to deliver it [a negotiated peace settlement in Vietnam] *after* the [Presidential] election [in November]...we kicked the Russians in the teeth when we had to for the national interest, and we will have to do it to the Chinese.¹¹⁴

This excerpt reveals multiple aspects of Kissinger's evolving Continental realism early on in this crucial year of 1972. First, Kissinger's explicit identification of East-West trade with the national interest clearly illustrates the importance of trade within his Continental realist paradigm,

“Henry, ... Winning an Election Is Terribly Important”: Partisan Politics in the History of U.S. Foreign Relations”, 173-190.

contrary to the traditionally strict doctrine of Continental realism that ignores trade and economic issues. Secondly, Kissinger clearly indicated a willingness to utilize East-West trade in his diplomacy with the Soviets beyond Vietnam negotiations. Seeing no prospect of achieving a negotiated settlement before the Presidential Election in November, Kissinger intended to “set up” East-West trade in such a way that it could be linked to other bilateral issues in which there could be progress with the Soviet Union in the meantime before the election.

Thus, preparations for the Moscow summit reflected this broad change in Kissinger’s Continental realism with respect to East-West trade. Days before he left for Moscow, Kissinger informed Nixon that the Soviets were “very anxious” to meet with him before the summit, and that “Vietnam will be the first agenda item” because the Soviets recognized the “urgency” of the issue.¹¹⁵ Therefore, during his secret meeting with Soviet officials in Moscow during late April 1972, Kissinger’s “primary mission” was to “remove Vietnam as an obstacle to the summit” so that progress in other bilateral issues, such as expansion of East-West trade, could be advanced at the Moscow summit.¹¹⁶ During a White House conversation on April 3, 1972, Kissinger expressed to Dobrynin his hope that current U.S. military actions in Vietnam “will not be viewed in Moscow as being deliberately directed against the interests of the Soviet Union and that this will not negatively impact Soviet-U.S. relations.”¹¹⁷ Indeed, although the “fundamental [Soviet] assessment of the overall U.S. policy in Indochina” remained “unchanged,” the Soviets had

¹¹⁴ Nixon White House Tapes: Tape 652-17, January 20, 1972, National Archives.

¹¹⁵ TELCON between Nixon and Kissinger, 15 April 1972, National Security Archive online, 11 April 2011. This conversation related to Kissinger’s preparatory talks at his upcoming pre-summit meeting with the Soviet leadership in Moscow.

¹¹⁶ Kissinger, *White House Years*, 1126.

¹¹⁷ Meeting Between Presidential Assistant Kissinger and Ambassador Dobrynin, April 3, 1972, p.639: Memcon between Kissinger and Dobrynin regarding U.S. actions in Vietnam in relation to the upcoming Moscow summit, 3 April 1972, as recorded in Dobrynin’s Journal, 639, National Security Archive online, 11 April 2011.

agreed to a summit meeting only after long and intense debate over continued American bombing in Vietnam, for they did not want Vietnam to pose an insurmountable obstacle to a summit any less than the U.S. did.¹¹⁸

Before leaving for this meeting, Kissinger had assured Nixon that he would adopt a cautious tone with regard to East-West trade issues, maintaining the position that progress in East-West trade would remain contingent upon a Soviet gesture to make one final push against Hanoi to end the Vietnam War with a U.S.-North Vietnamese peace agreement. Such a gesture, thought Kissinger and Nixon, might be enough of a political quid-pro-quo to appease both Congress and the American public, and with Vietnam out of the way, trade opportunities would be promising indeed. Thus, the criteria for what constituted “political progress” on Vietnam had changed: rather than holding the Soviets to a cease-fire in Vietnam, the Soviets had only to make a gesture of convincing their North Vietnamese allies to end the war. During a telephone conversation on the night of April 3, 1972, Kissinger and Nixon expressed confidence that the Soviets would cooperate on Vietnam in order to save the summit. “I think the Russians will do something [on Vietnam],” Kissinger assured Nixon. “They are not going to risk everything.” Nixon agreed, commenting that the Soviets “will [not] risk [the] Summit...[that is] correct.”¹¹⁹

Expansion of East-West trade certainly held the potential for long-term U.S.-Soviet cooperation, Kissinger acknowledged. Yet such hopes had to be “realistic”; an improvement in U.S.-Soviet economic relations could “only be achieved in a healthy political environment,” and as far as Congress and the American public were concerned, Vietnam loomed large over any

¹¹⁸ Ibid.; Dobrynin, 248; Herring, *America's Longest War*, 241-42.

improvement in U.S.-Soviet relations. It was “an objective fact of political life,” Kissinger maintained, that a breakthrough on MFN and Export-Import Bank credits “depends critically on the state of our political relations” and that such commitments could not “be undermined by renewed crises and deterioration of our relations” on such domestically sensitive issues as Vietnam. Nevertheless, Kissinger viewed Soviet MFN and Export-Import Bank credits as “essential if there is to be any sizable volume of US exports to the Soviet Union” in the near future.¹²⁰ Nixon agreed, reminding Kissinger a day before he left for his secret Moscow meeting to stress the standing Congressional barriers to expanding East-West trade, in which “a cooling in Vietnam is essential. And then if we do [make progress on Vietnam] there is more to come [for the Soviet Union], [such as] favored nation [MFN], [Export-Import Bank] credits... a whole new world opens up. And I’ll sell it to the Congress and I can do it.”¹²¹ Kissinger agreed with Nixon’s assessment, and again predicted that it was “[a]bsolutely not” likely that the Soviets would fail to cooperate on Vietnam. “[I]f they [the Soviets] screw us [on Vietnam], Mr. President, and we then go hard lined when I get back, we’ll have done everything—[but] if we are honest about [U.S. bombing campaigns in Vietnam], they are helping us a hell of a lot more than we are helping them.”¹²²

Thus, Kissinger’s strategy for his pre-summit negotiations resembled an expansion of his Continental realist strategy of using trade as a carrot in order to “link economic relations to political progress” on the Vietnam front, for his criteria for what constituted Soviet “political

¹¹⁹ TELCON between Nixon and Kissinger, 3 April 1972, as recorded in Dobrynin’s Journal, 641, fn. National Security Archive online, 11 April 2011.

¹²⁰ Memorandum from Kissinger to Nixon, U.S. State Department, Washington, 19 April 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #125.

¹²¹ White House Conversation between Nixon and Kissinger, 19 April 1972, *Ibid.*, #126.

¹²² TELCON between Nixon and Kissinger, 15 April 1972, National Security Archive online.

progress” on Vietnam had now broadened to become more ambiguous.¹²³ As Kissinger’s mission commenced on April 20, 1972, the three main obstacles to expanding trade with the Soviet Union were the U.S. extension of Soviet MFN status, Soviet Lend-Lease debts left over from World War II, and, as always, Soviet distaste of Nixon and Kissinger’s explicit insistence on linkage. Kissinger arrived in Moscow determined to use linkage in these pre-summit negotiations despite his awareness of this last point, writing in his memoirs that “Dobrynin knew our approach to linkage well enough to recognize that nothing would be concluded until the fundamental issues were out of the way.”¹²⁴ Kissinger would stand firm with his insistence that expanded East-West trade and general economic relations with the Soviets remained contingent upon “some demonstrated progress” on high policy issues important to the U.S., meaning firstly Vietnam—the issue, Kissinger had often assured Brezhnev, in which political progress was “indispensable” for avoiding Congressional opposition to any economic deals with the Soviet Union at the up-coming Moscow summit and in the future.¹²⁵ Nixon and Kissinger had also agreed that, if there was no progress on Vietnam, a resolution of the Soviet Lend-Lease debts was an essential prerequisite for a positive Congressional response to granting the Soviets MFN (although neither man believed that expansion of East-West trade was possible without a Soviet political quid-pro-quo on the Vietnam issue).¹²⁶

Upon his return to the U.S., Kissinger assessed his secret meeting with the Soviets in Moscow as an indication that the U.S. possessed enough leverage in various bilateral matters—

¹²³ Kissinger, *White House Years*, 1136.

¹²⁴ *Ibid.*, 1128, 1133-34.

¹²⁵ *Ibid.*, 1133-36. During Kissinger’s Moscow meeting, Nixon encouraged his National Security Adviser to extend his stay in the Soviet capital if doing so would yield “some contribution on Vietnam”. See Telegram from

including East-West trade—to dictate Soviet restraint in Vietnam as well as to forecast favorable accomplishments at the Moscow summit. Kissinger’s softer line on the Vietnam issue evidently did not escape the notice of the Soviets. Following Kissinger’s secret Moscow meeting, Dobrynin had recognized that Nixon’s (and Kissinger’s) firm position on Vietnam had softened, noting on May 5 that:

President Nixon—apparently—has now clearly given up any firm linkage between these two issues (Vietnam and the Moscow summit). He is prepared for, and wants to have, the Moscow summit, even though the Vietnam situation will probably have an unfavorable impact on the meeting in some respects. The main thing was evident from Kissinger’s comments [during the secret Moscow meeting], however, and that is that Nixon has made a fairly firm decision to go to the [Moscow summit] meeting.¹²⁷

Indeed, Kissinger believed that the broadened utility of East-West trade within his Continental realist paradigm appeared to offer promising signs of success in U.S.-Soviet relations. Kissinger was convinced that a desperate Soviet leadership was more than eager to conduct negotiations on SALT, the Middle East, trade, and other bilateral issues that would, in the minds of Soviet leaders, deflect a U.S.-Chinese condominium while achieving political equality and strategic parity with their primary Western adversary. As Dobrynin wrote in his memoirs, a SALT agreement in particular “would be a measure of our future relations, especially in the judgment of American public opinion.” If efforts toward a successful SALT treaty failed, the summit would be considered “a flop.”¹²⁸

Nixon to Kissinger in Moscow, U.S. State Department, Washington, 23 April 1972. *FRUS, 1969-1976, Volume I, Foundations of Foreign Policy*, #110.

¹²⁶ Kissinger, *White House Years*, 1133-36.

¹²⁷ Meeting Between Presidential Assistant Kissinger and Ambassador Dobrynin, May 5, 1972: Memcon between Kissinger and Dobrynin regarding Vietnam and other topics to be raised at the Moscow summit, 5 May 1972, as recorded in Dobrynin’s Journal, 796. National Security Archive online, 11 April 2011.

¹²⁸ Dobrynin, 242.

Thus with regard to discussing trade and other economic issues at his secret Moscow meeting, Kissinger explained the political situation to the Soviets along the lines that he and Nixon had established earlier. He asserted that expansion of East-West trade symbolized “a sign of confidence in our political relations.” Admitting that he did not think trade in itself was important—much less a distinct high policy issue—Kissinger explained that “I have taken a personal interest [in East-West trade], not because of the details—which don’t interest me—but to see that it is done on a big scale.” Kissinger reiterated his Continental realist assertion that “we [he and Nixon] have looked at [East-West trade] in a political context, so that when our political relations reach a certain level, economic relations shouldn’t lag behind.” He reminded Brezhnev of the Congressional barrier to granting Soviet MFN and Export-Import Bank credits, stressing that “[i]f our relations proceed along present lines... we expect to ask [Congress] for it this year.” Yet if U.S.-Soviet relations “are tense, many Congressmen will drag their feet... One consideration which will affect the situation in Congress is Vietnam. It is a little tough when the trucks carrying weapons in Vietnam are Russian. We will ask for it anyway, but this is a problem.”¹²⁹ In the end, Kissinger and Brezhnev had decided to defer “agreements in principle” on trade issues until after political progress was made, hopeful that such progress would be realized in time for the summit.¹³⁰ In the meantime, Brezhnev suggested to Kissinger that the specifics of certain East-West trade issues—particularly Soviet MFN and Export-Import Bank

¹²⁹ Memcon between Kissinger and Soviet leadership regarding topics for the Moscow summit, U.S. State Department, Washington, 23 April 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #150.

¹³⁰ *Ibid.*; Kissinger, *White House Years*, 1152-54.

credits—“could be gone into through the [Kissinger-Dobrynin] channel, and then discussed finally at the Summit.”¹³¹

An analysis prepared by the NSC and read by Nixon days before the summit reflected the broadened role of East-West trade within Kissinger’s Continental realist paradigm following his secret Moscow meeting. According to the study, East-West trade would be a “priority objective” for the Soviet Union at the summit.¹³² The Soviets stood to gain credits to finance imports of U.S. goods, MFN status, and cooperative ventures on the production of Soviet raw materials such as natural gas. The U.S. side stood to gain access to Soviet markets, a grain deal, and (of great importance) a Lend-Lease settlement. Of all the above trade issues that hung in the balance for the Soviet Union, however, MFN and credits were significant in both a practical and political sense; the Soviets needed credits for purchasing high-quality and high-technology American goods, while MFN was politically essential for ending “discriminatory” U.S. trade practices, such as the oft-denounced export controls, and for signaling the equal superpower status of the U.S. and Soviet Union.¹³³ Although the study noted the various economic benefits for U.S. businessmen in expanding East-West trade, the linkage of trade and other economic issues to political advantage—a conviction that the Continental Kissinger had not retreated from since 1969—remained the primary objective of the U.S.¹³⁴

¹³¹ Memcon between Kissinger and Soviet leadership regarding topics for the Moscow summit, recorded during Kissinger’s secret trip to Moscow, U.S. State Department, Washington, 22 April 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #139.

¹³² Paper Prepared by NSC on Economic Issues to be Discussed at the Moscow Summit, undated, *Ibid.*, #230.

¹³³ *Ibid.*

¹³⁴ *Ibid.*

While Kissinger clung to the hope that he would be able to link East-West trade to Soviet cooperation in ending the Vietnam War, the study also made clear that such a restrictive linkage was no longer an essential prerequisite for expansion of trade; now, Kissinger believed that trade could be sufficiently linked to other high policy issues that promised success, such as SALT, as long as the Soviets simply made a final gesture of helping on the Vietnam issue to appease Congress and the American public. Thus, the U.S. strategy toward East-West trade with the Soviets by the time of the summit had changed “to be forthcoming in general, without making specific commitments.”¹³⁵ Because of the structure of the Moscow summit meetings, economic issues were to be held off until the final days, which would allow Nixon “to use economic issues implicitly as a carrot in the political discussions scheduled for the earlier phase of the meetings.” Finally, the NSC advised Nixon to only discuss trade and other economic issues in the context of what could realistically be accomplished at the summit, and to go no further.¹³⁶

The Moscow Summit: Expanding East-West Trade

The Moscow Summit proceeded on May 22, 1972, in what would become the event that formally launched a period of détente between the U.S. and the Soviet Union. During the talks, Vietnam only arose in discussions on the first and last days of the summit, while the interim three days of the summit—May 24-26—were consumed largely with intense SALT negotiations.¹³⁷ Most significant in the eyes of observers around the world was the statement of “Basic Principles of Mutual Relations between the United States of America and the Union of

¹³⁵ Ibid.

¹³⁶ Ibid..

¹³⁷ Bundy, 322.

Soviet Socialist Republics” that arose from the summit as a symbolic agreement.¹³⁸ The actual content of this statement had been basically established during Kissinger’s earlier secret trip to Moscow, and was articulated at the summit with few substantial changes. According to Dobrynin, Kissinger viewed the “Basic Principles” document as merely “a philosophical concept,” rather than “a guide to concrete situations.”¹³⁹ The statement re-emphasized the foundation of U.S.-Soviet relations on “peaceful coexistence” with principles of equality and the renunciation of force. Essentially, the statement declared that although the Soviet Union would continue to pursue a competitive relationship with the U.S., “it would not engage in the outright use of force against the United States.” Implicit also was an acknowledgement of the Soviet Union’s claim to superpower status alongside the U.S., which had long been a Soviet goal. As Dobrynin later described it, “the summit and its documents symbolized the mutual recognition of parity between the Soviet Union and the United States as two great superpowers.”¹⁴⁰ In essence, the “Basic Principles” statement declared that it was in the interests of both superpowers to perpetuate peaceful relations with each other, because for either superpower to abandon such a course would be to face the consequences of defying international opinion.¹⁴¹

Although Kissinger’s primary task at the summit was to participate in the SALT negotiations, he hardly ignored the U.S. push for using East-West trade for obtaining political progress with the Soviets on multiple high policy issues. In a conversation with Peter Flanigan, Nixon’s aide on economic affairs, between negotiating sessions, Kissinger reiterated his

¹³⁸ Kissinger’s role in creating the “Basic Principles” agreement is richly documented in *FRUS, 1969-1976, Volume XIV, Soviet Union*, #139, 150, 160.

¹³⁹ Dobrynin, 252.

¹⁴⁰ *Ibid.*

¹⁴¹ Bundy, 323.

broadened Continental realist strategy of linking progress on high policy issues to expansion of East-West trade, advising Flanigan that “We’re in a very tough position with [the Soviets] so what I’d like you to do is to dangle perhaps a fatter carrot [trade] in front of them than your commercial instincts would dictate but on the other hand, give them less than is attainable.” Such an incentive that could considerably “sweeten the pot” for the Soviets would indicate “rather dramatic prospects of trade if our general relationships were good...even if you lie a little bit.”¹⁴²

Later on in the negotiations, Nixon and Kissinger made a final attempt to link progress in Vietnam to progress in expanding East-West trade, telling Brezhnev and other Soviet leaders that a comprehensive trade agreement might not be possible without evidence that the Soviet Union had done everything possible to convince Hanoi to pursue a peace settlement with the U.S.¹⁴³ Nixon noted that “we ought to get [Vietnam] out of the way as quickly as possible so we can have progress in other fields. That progress will go forward anyway, but it will go forward faster if Vietnam is not clouding our relationship.”¹⁴⁴ Following a lengthy yet restrained exchange of views by both sides on the Vietnam issue that lasted through the conclusion of the summit, East-West trade agreements were endorsed in principle but deferred to a joint commission that would deal with trade issues later in the year, contingent upon the political quid-pro-quo of a positive Soviet gesture toward Vietnam.¹⁴⁵

Breaking this final log-jam to expanding East-West trade, Podgorny’s visit to Hanoi following the summit in June was apparently enough to qualify as such a gesture on the part of

¹⁴² Kissinger discussing trade at the Moscow summit with Flanigan, U.S. State Department, Washington, undated. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #215, fn.

¹⁴³ Bundy, 347.

¹⁴⁴ Memcon between Nixon, Kissinger, and the Soviet leadership, U.S. State Department, Washington, 24 May 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #271. Nixon had escalated the war before the Moscow

the Soviets, clearing the way for Nixon in the Fall of 1972 to sign the trade agreements that had been made in principle at the Moscow summit. On October 18, Nixon completed a comprehensive East-West trade agreement with the Soviet Union, including a Maritime Agreement that opened forty ports in each country and provided for the equal sharing in the shipment of cargoes between the two countries; the Trade Agreement, which provided for extension of Soviet MFN (contingent upon Congressional approval), protection against market disruption, and the reciprocal establishment of commercial centers and improved facilities in each country; and the Soviet Lend-Lease settlement, in which the Soviet Union pledged to pay a 722 million dollar settlement to the U.S. and opened the way for U.S. extension of Soviet MFN following Congressional approval, which at the time was widely predicted to be forthcoming. Nixon also issued a call to grant Export-Import Bank facilities to the Soviet Union.¹⁴⁶ Finally, having promoted American grain sales at the summit, the Soviets proposed to purchase 150 million dollars worth of grain, although Kissinger thought this sale too insignificant to formally announce at the summit or anytime thereafter to the American public.¹⁴⁷ By early July, the Soviet Union had completed contracts to buy American corn, soybeans, and seven million tons of wheat—a trade agreement that appeased the powerful agricultural voting bloc in the U.S. and earned Kissinger and Nixon wide praise as a commercial and political triumph by the American public and government officials.¹⁴⁸

summit in early May by mining Haiphong Harbor, instituting a naval blockade of North Vietnam, and intensifying bombing campaigns. See Herring, *America's Longest War*, 241-42.

¹⁴⁵ Bundy, 322.

¹⁴⁶ NSSM 247, 37, Gerald Ford Library; Bundy, 347, 350.

¹⁴⁷ Bundy, 339-40.

¹⁴⁸ Kissinger, *White House Years*, 1269-70; Bundy, 340. As events would turn out, the praise that Kissinger and Nixon had earned for the American grain sale to the Soviet Union would prove to be only temporary. The following chapter provides a further discussion of this issue.

With these agreements, Nixon and Kissinger had achieved the most significant expansion of East-West trade in over two decades of the Cold War, illustrating the broadened role of East-West trade and economic diplomacy within Kissinger's Continental realist paradigm. Yet despite the fact that East-West trade had become integral to Kissinger's foreign policy, he did not trumpet the new U.S.-Soviet trade agreements as a significant foreign policy accomplishment from the summit, as trade had never been important in its own right to him. Here again, Kissinger illustrated his Continental realist strategy of using East-West trade concessions as a means to achieving political progress on other high policy issues with the Soviet Union, especially a monumental bilateral SALT I Treaty. Despite Kissinger's lack of enthusiasm for U.S.-Soviet East-West trade agreements and economic diplomacy, however, he reflected years later that the agreements reached at the Moscow summit were "a major success for American foreign policy," and virtually assured Nixon's re-election in November.¹⁴⁹

Returning home from the summit on June 1 following an extended visit to Tehran and Warsaw, Nixon found that his popularity as President had soared, with a sixty-one percent approval rating by the end of May. Voters and political commentators who had once criticized Nixon's foreign policy now praised his recent accomplishments in Moscow as a huge success. As William Bundy described this new atmosphere, "A feeling of optimism, of a new kind of future within reach, permeated the reactions to [Nixon's] report at home and abroad. Even hard-line anti-Soviet opinion makers were reassured: Richard Nixon, of all people, could not have sold out the American side or weakened its strategic military posture."¹⁵⁰ Nixon was "riding high," and Congress was expected to shortly approve the agreements he had made at the Moscow

¹⁴⁹ Kissinger, *White House Years*, 1253.

¹⁵⁰ Bundy, 331.

summit.¹⁵¹ Kissinger's own stature among the American public as a "super statesman" reached an all-time high. In the months ahead he would emphasize the SALT I Treaty from the Moscow summit as "a major landmark and forward step" in the direction of a U.S.-Soviet détente to the American and European publics, while attempting to justify the landmark agreements made on East-West trade.¹⁵²

With the Moscow summit as its centerpiece, 1972 marked a watershed year in the foreign policy of the Nixon and Kissinger team in many areas, including their policies on East-West trade. Although Kissinger still did not recognize East-West trade as a high policy issue in and of itself, beginning in January 1972 the role of East-West trade within his Continental realist paradigm broadened as a means of forging political agreements on U.S.-Soviet high policy issues beyond Vietnam at the Moscow summit. Both Nixon and Kissinger had realized by January 1972 that political progress with the Soviet Union had to expand beyond the stalemated Vietnam peace negotiations in order for Nixon to win re-election in November. In this context, although the specter of Vietnam lingered on, a SALT agreement had now become Kissinger's primary high policy goal in which trade remained an important "carrot" to secure such an agreement with the Soviets. During this stage of Kissinger's economic diplomacy, the Soviets had only to make a gesture of progress toward convincing Hanoi to reach a peace agreement with the U.S., rather than ensure the full compliance of their North Vietnamese allies. When the Soviets made this gesture in June 1972, many of the trade agreements that had been made in principle between the U.S. and Soviets at the summit—including American grain sales, Soviet MFN status, and Export-Import Bank credits—were acted upon by both sides with the signing of a comprehensive

¹⁵¹ Ibid., 332.

¹⁵² Ibid., 335.

trade agreement in October 1972. Thus in the summer months following his and Nixon's achievements at the Moscow summit, Kissinger's embrace of non-traditional means of power had placed him in a position from which he would have to defend his East-West trade policies toward the Soviet Union against a Congress that, in light of the summit agreements, was not entirely above suspicion of Soviet intentions.

CHAPTER 3

THE EMERGENCE OF THE JACKSON-VANIK AMENDMENT

Grain, Jews, and Jackson: The Initial Erosion of East-West Trade

“No issue of [American] foreign policy,” Kissinger wrote years later in his memoirs, “saw such a drastic reversal of position as East-West trade.”¹⁵³ Kissinger’s reflection does indeed contain more than a kernel of truth. Following the achievement of the SALT I Treaty at the Moscow summit in May 1972, Kissinger found himself in a position to advocate a traditional aspect of American foreign policy—trade and economic diplomacy—that he could not have cared less about as a proponent of Continental realism.

Having secured agreements on East-West trade, SALT, and other bilateral issues at the Moscow summit, Kissinger had placed himself in a position from which he now had to advocate approval of these U.S.-Soviet agreements to an awaiting Congress, where suspicion of Soviet intentions died hard. On June 15, 1972, Kissinger briefed Congressional leaders on the agreements—founded upon “the basis of the enlightened self-interest of both sides”—that had been achieved with the Soviet Union, with a clear emphasis on the overriding importance of the SALT I agreement.¹⁵⁴ As Kissinger later admitted to the Senate Foreign Relations Committee in September 1973, “there is almost no subject to which I have given more time and, I hope, thought, than the problem of strategic arms limitation.”¹⁵⁵ Kissinger proclaimed that the U.S.-

¹⁵³ Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown, 1982), 246.

¹⁵⁴ Congressional Briefing by Dr. Henry A. Kissinger as recorded in the Congressional Record on 19 June 1972, as quoted in Kissinger, *American Foreign Policy*, 159.

¹⁵⁵ Hearings on the Nomination of Henry A. Kissinger to be Secretary of State, Senate Foreign Relations Committee, September 1973, as quoted in Kissinger, *American Foreign Policy*, 215.

Soviet SALT agreement was “without precedent in the nuclear age, indeed in all relevant modern history,” and fully protected “our national security and our vital interests.”¹⁵⁶ Regarding the East-West trade agreements made in principle at the Moscow summit, Kissinger spoke of “promising negotiations on economic relations.” He concluded his briefing by assuring Congressional leaders of his belief that the SALT agreement would be the “central element” of a new period of U.S.-Soviet détente which would “hold tremendous political and historical significance in the coming decades.”¹⁵⁷ “[T]here is at least reason to hope,” Kissinger continued, “that these accords represent a major break in the pattern of suspicion, hostility, and confrontation which has dominated U.S.-Soviet relations for a generation.”¹⁵⁸

As described in the previous chapter, Kissinger’s emphasis on the SALT I Treaty following the Moscow summit illustrated the role of East-West trade within his Continental realist paradigm as a means to achieve progress in such U.S.-Soviet high policy issues as arms control at the summit. Having achieved his primary high policy goal of a SALT agreement, however, Kissinger now found himself in a position to advocate Congressional approval of his East-West trade agreements and economic diplomacy toward the Soviet Union—a traditional aspect of American foreign policy that Kissinger had neither cared for nor considered a distinct high policy issue in its own right. Significantly, Kissinger’s advocacy of East-West trade (not to mention SALT and 13 other U.S.-Soviet summit agreements) before Congress itself signaled a

¹⁵⁶ Congressional Briefing by Dr. Henry A. Kissinger on 19 June 1972, *Ibid.*, 139, 155.

¹⁵⁷ *Ibid.*, 143, 156.

¹⁵⁸ *Ibid.*, 156.

major departure from his Continental realist origins, for the Continental realist does not involve himself in nor recognize domestic politics as a necessary element of foreign policy.¹⁵⁹

Following the October 1972 comprehensive trade agreement, a Congressional investigation of East-West trade relations was carried out in the Soviet Union in order to assess just how “promising” Kissinger’s economic negotiations with the Soviets were.¹⁶⁰ While reasserting the need for Congressional authority in monitoring East-West trade and other commercial negotiations, the delegation found that “future progress [on East-West trade] was not assured,” and recognized that granting the Soviets MFN status, joint economic ventures, and extension of credits would be problematic.¹⁶¹ Nor did the Soviet officials “have a full appreciation of the role of Congress in foreign commercial relations.”¹⁶² In a cost-benefit analysis, the delegation reported that while the U.S. stood to benefit from importing Soviet oil and natural gas, the “*net economic* benefits would tend to favor the Soviet Union”; yet if the Soviets made political concessions by shifting away from their focus on military programs—a traditional source of Congressional opposition to the Soviet system—it was then possible that “the long-term costs and benefits of large-scale joint ventures” might “equal out for both sides.”¹⁶³ Thus, in projecting the potential growth of East-West trade in light of Nixon and Kissinger’s recent trade concessions, the Congressional delegation concurred with Kissinger’s

¹⁵⁹ Mead, 39, 49, 73. For a fuller discussion about this tenet of Continental realism, see chapter 1.

¹⁶⁰ “Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report,” November-December 1972, Records of the United States Senate, RG 46, National Archives, Washington, D.C.

¹⁶¹ *Ibid.*, 2. With regard to Congressional oversight on East-West trade, the committee recommended the following: “Congressional debate on trade regulation, commercial practices, and credit procedures within appropriate Committees, including the Joint Economic Committee, is in order to assess the opportunities and risks inherent in the developing Soviet-United States commercial relations.” *Ibid.*

¹⁶² *Ibid.*

¹⁶³ *Ibid.*, 3.

linkage strategy by concluding that if U.S.-Soviet political relations improve, “vigorous commercial initiatives are in order to take advantage of the new [political] climate.”¹⁶⁴

The Congressional investigation of November and December 1972 in the Soviet Union found merit to Kissinger’s advocacy of improved East-West trade relations following improvement of East-West political relations. Although Kissinger and Nixon earned wide praise and accolades for their accomplishments at the Moscow summit, however—including a “spectacular expansion of trade”¹⁶⁵—their political momentum had begun to grind to a halt following the “Great Grain Robbery” of July 1972, a wholesale buyout of U.S. grain in which Kissinger later claimed that the Soviet Union had “outwitted” the U.S. As a consequence, the grain sale eventually increased food prices for American consumers and drew significant Congressional criticism of Kissinger’s and Nixon’s East-West trade policies.¹⁶⁶ Amidst this suspicion of Soviet intentions in the commercial sphere, East-West trade—what Kissinger now believed to be a “crucial” component of U.S.-Soviet détente—was placed on trial for the first time during the Nixon administration.¹⁶⁷

Since January 1972, Nixon’s main interest in the grain market had been to increase the income of American farmers, a political voting bloc that Nixon had to consider for the upcoming Presidential Election in November. As Kissinger later noted, Nixon “was surely not blind to the political benefits of a grain deal in an election year.”¹⁶⁸ In January, Kissinger limited

¹⁶⁴ *Ibid.*, 7.

¹⁶⁵ “Bridging the U.S.-Soviet Gap—Trade is Just the Start”, *U.S. News & World Report*, 27 November 1972, reprinted in “Observations on East-West Economic Relations,” *Ibid.*, 51.

¹⁶⁶ Dobson, 209.

¹⁶⁷ TELCON between Nixon and Kissinger, U.S. State Department, Washington, 14 May 1972. *FRUS: 1969-1976, Volume XIV, Soviet Union*, #225.

¹⁶⁸ Kissinger, *Years of Upheaval*, 247.

White House supervision of the matter by issuing a directive to the Departments of State, Commerce, and Agriculture that granted primary responsibility for grain sales to the Department of Agriculture and its Secretary, Earl Butz. Although Butz was scheduled to travel to Moscow before the May summit to discuss the grain market with the Soviets, Nixon decided in January to delay Butz's trip until after the summit—a move that gave Nixon and Kissinger complete discretion over using the carrot of U.S. grain sales to the Soviet Union at the summit.¹⁶⁹ Subsequently, during the Moscow summit, Nixon actively promoted American grain sales to the Soviet Union, emphasizing his potential political gain from such sales to Brezhnev. In response to Nixon's overtures, the Soviets proposed to purchase 150 million dollars worth of grain, a deal that Kissinger thought too insignificant to formally announce as an achievement at the summit—or anytime thereafter—to the American public.¹⁷⁰

In June, the Soviets completed a three-year arrangement with the U.S. involving 750 million dollars in credits for grain purchases.¹⁷¹ By July 10, Soviet contracts were completed for corn, soybeans, and seven million tons of wheat. The aggregate sale would prove disastrous for American consumers, albeit not until a month after the fact: American grain companies, trying to out-compete each other, had sold nearly one billion dollars worth of grain to the Soviet Union at market price, allowing the Soviets to effectively buy out nearly the entire American grain surplus without the knowledge of the U.S. government (including Kissinger himself).¹⁷² To put the sale into perspective, Soviet grain imports from the U.S. during the 1972/73 period amounted to 14.1 million Metric Tons, or approximately 63 percent, of the total Soviet grain imports for the

¹⁶⁹ Hersh, 343; Kissinger, *White House Years*, 1133-36.

¹⁷⁰ Bundy, 339-40.

¹⁷¹ Kissinger, *White House Years*, 1269.

period.¹⁷³ Because of Soviet secrecy and the self-interest of American grain companies, news of the Soviet purchase did not reach the American public and Congress until late August.¹⁷⁴

Although praised as a triumph at first, the Soviet grain sale devolved into a political scandal by the early fall of 1972 and consequently “raised questions on the future of Soviet-United States trade.”¹⁷⁵ In the final analysis, the Soviets had bought massive quantities of grain at subsidized prices, which eased the pressure of the Soviet agricultural sector as well as the Soviet hard currency balance. While providing much-needed relief to the Soviet Union, however, the sale led to a sky-rocketing food price in the U.S. following Nixon’s re-election in November, reaching an overall increase of twenty percent in 1973 that severely damaged American consumers.¹⁷⁶

Kissinger’s later explanation of the “Great Grain Robbery,” as it came to be infamously called—in part reflecting the traditionally secondary role of East-West trade and economic diplomacy within his foreign policy vision—was rather blunt: “The U.S. government was simply not organized at that time to supervise or even monitor private grain sales as a foreign policy matter. The Soviets beat us at our own game.”¹⁷⁷ “In retrospect,” Kissinger reflected, “we should have guessed perhaps that Moscow wanted to avoid both political scrutiny and the risks of driving up prices in the grain market if the scale of their crop failure became known.”¹⁷⁸

Although Kissinger’s knowledge of the secret grain sale has been subject to debate, his failure to

¹⁷² Ibid., 1269-70; Bundy, 340.

¹⁷³ Werner Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO’s Energy Dilemma* (New York: Berghahn Books, 2010), 163.

¹⁷⁴ Bundy, 341.

¹⁷⁵ “Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report,” 15.

¹⁷⁶ Dobson, 209; Funigello, 184; Kissinger, *White House Years*, 1270. It should also be noted that Soviet grain sales were vehemently opposed by American labor unions, particularly the dockworkers responsible for loading American grain on Soviet ships. See Isaacson, 609.

¹⁷⁷ Kissinger, *White House Years*, 1269-70.

monitor the issue more closely yielded serious Congressional suspicion of Soviet intentions in the commercial sphere.¹⁷⁹

In addition to the public and political fallout from the Soviet grain sale, Congressional opposition to the Soviet exit tax on Jewish emigration—implemented in August 1972—substantially fueled Kissinger’s advocacy of his economic diplomacy and East-West trade policies, thereby illustrating a significant departure from his original Continental realist foreign policy. The Congressional outcry against the exit tax on Soviet Jews puzzled the Nixon administration, given the fact that Jewish emigration had drastically increased from 400 a year in 1968 to 35,000 by 1973—an increase that paralleled the steady improvement in overall U.S.-Soviet relations during the early years of détente.¹⁸⁰ Although the tempestuous issue of Jewish emigration had arisen in U.S.-Soviet relations long before the Nixon administration, Kissinger had assured Dobrynin at the Moscow summit that the status of Soviet Jews would not even be mentioned by the U.S. during the summit negotiations.¹⁸¹ Indeed, Jewish emigration from the Soviet Union had increased significantly following the Six Day Arab-Israeli War in 1967, which

¹⁷⁸ *Ibid.*, 1269.

¹⁷⁹ As he recounted the event years later, Kissinger clearly attempted to evade responsibility from an East-West trade issue that he had considered important to improving U.S.-Soviet relations. Indeed, his memoirs suggest that the U.S. had been totally unaware of the massive Soviet crop failure in 1972. According to investigative journalist Seymour Hersh, however, Kissinger himself had been deeply involved in a deal with the Soviets, completed a year before the Moscow summit on 20 May 1971, in which Soviet cooperation on reaching a SALT agreement had been extended to the U.S. in return for future American grain sales to the Soviet Union. Hersh contends that Nixon had indicated in early 1971 that U.S. trade liberalization, including substantial grain sales, would be contingent upon the SALT negotiations—a revelation that was, Hersh maintains, apparently kept secret by the Nixon administration. Such allegations are not corroborated in the available published White House documents. According to Dobrynin’s memoirs, however, on 24 May 1971—four days after a “breakthrough” on SALT—Kissinger assured Dobrynin of Nixon’s decision to exempt wheat and grain exports from the Commerce Department control list, while liberalizing shipping requirements as a further inducement for Soviet cooperation on SALT. See Seymour M. Hersh, *The Price of Power: Kissinger in the Nixon White House* (New York: Summit Books, 1983), 334-344; Dobrynin, 215; Kissinger, *White House Years*, 1271.

¹⁸⁰ Kissinger, *White House Years*, 1271.

¹⁸¹ Dobrynin, 268.

had “aroused a new degree of Jewish identification among Soviet Jews” and encouraged many to embark to Israel. For their part, the Soviet leadership responded to this intensifying Jewish pressure almost immediately and, looking to continue their expanded East-West trade relations (which had yielded increasing Western imports by the late 1960s), had sanctioned the departure of approximately 2500 Jewish emigrants per month in 1971.¹⁸² As Dobrynin succinctly summarized the problem in his memoirs, the Soviet leadership had feared that emigration from “the happy land of socialism” would “offer a degree of liberalization that might destabilize the domestic situation” of the Soviet Union. Therefore, on August 3, 1972, the Soviet Union imposed an exit tax on emigrants that was designed by the Soviet Ministry of Education to “refund” the costs of emigrant education to the Soviet state.¹⁸³

In response to the Soviet exit tax, on October 4, 1972, Senator Henry Jackson of Washington—a long-standing and powerful politician who “combined firmness on defense issues with liberal positions on domestic matters”—and seventy-one Congressional co-sponsors introduced an amendment that made the granting of Soviet most-favored-nation (MFN) status contingent upon increased Jewish emigration, launching what ultimately became a fatal assault on Kissinger’s East-West trade and other détente policies.¹⁸⁴ To Jackson—who had also criticized Nixon and Kissinger earlier for their alleged willingness to “bargain away” U.S. nuclear superiority at the Moscow summit—the idea that improved trade relations could modify or control Soviet behavior was a “dangerous illusion,” and he believed that Nixon and

¹⁸² Bundy, 348.

¹⁸³ Dobrynin, 268.

¹⁸⁴ Ibid.; Melvyn Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill and Wang, 2007), 245.

Kissinger's East-West trade policies toward the Soviet Union were too flexible.¹⁸⁵ Jackson's position was reinforced by an article in the *Herald-Tribune International* from November 28, 1973, which warned that "it will be a serious mistake if American business, the Nixon administration, or...Soviet officials, become so eager to expand Soviet-American trade as to forget the continuing sensitivity of the American people—and of Congress—to Soviet political behavior both inside and outside the Soviet Union's borders."¹⁸⁶ The article correctly predicted that the disagreeable Soviet record on civil rights and emigration policy was "calculated to inflame American public opinion and to jeopardize the future growth of Soviet-American relations."¹⁸⁷

Indeed, the Congressional delegation sent to the Soviet Union in November and December 1972 predicted the highly problematic obstacle to expanded East-West trade posed by the Jackson amendment, reporting that:

Soviet officials at all levels were concerned with the attitude of the U.S. Congress on Most-Favored Nation status for the Soviet Union. Specifically, the link between the Jackson Amendment to the East-West Trade Relations Act linking exit fees to MFN status was very much in their minds...The Soviets indicated that the exit fee was an internal matter and MFN status far transcended the importance of tariff improvements. In fact, the vehemence of Soviet reference suggested that the approval of MFN may be a test case or turning point in progress not only of commercial but of Soviet-United States relations as a whole.¹⁸⁸

¹⁸⁵ Hanhimaki, 341; Bundy, 343, 349.

¹⁸⁶ "Trade with Moscow," *Herald-Tribune International*, 28 November 1972, reprinted in "Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report," 62.

¹⁸⁷ *Ibid.*

¹⁸⁸ "Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report," November-December 1972, Records of the United States Senate, Record Group 46; National Archives, Washington, D.C., 8.

Therefore, the delegation concluded, the Soviet policy on Jewish emigration represented “a serious road block to the expansion of Soviet-United States commercial relations.”¹⁸⁹

According to Kissinger, Nixon and Jackson both harbored the same goal of increasing Jewish emigration from the Soviet Union, although they differed over tactics. Nixon “doubted that overt pressure [against the Soviets] could succeed,” while Jackson “insisted that no other method would work.”¹⁹⁰ Jackson’s amendment was quickly endorsed by three-quarters of both houses of Congress, and the result, wrote Kissinger, was “a Congressional mandate for an unfulfillable course that sapped our credibility abroad without giving us the tools to deal with the consequences of the resulting tension” between the U.S. and Soviet Union.¹⁹¹ Having largely evaded Congressional influence in his foreign policy-making to this point, Kissinger could no longer ignore the powerful influence of domestic politics on American foreign policy with the coming of the Jackson amendment.

This drastic reversal of legislative opinion on East-West trade to demand changes in Soviet domestic behavior was “a far more ambitious form of linkage” than Kissinger was willing to endorse.¹⁹² Issues of the internal domestic behaviors of nation states were inimical to the realist statesman, and although Kissinger’s embrace of Continental realism had begun to wither away with his advocacy of economic diplomacy to Congress, he nevertheless maintained a distinct separation of excessive moral considerations and foreign policy.¹⁹³ Ironically, Kissinger later noted, during Nixon’s second term “the previous detractors of linkage adopted the [same]

¹⁸⁹ Ibid., 9.

¹⁹⁰ Kissinger, *Years of Upheaval*, 254.

¹⁹¹ Kissinger, *White House Years*, 1272; *Years of Upheaval*, 254.

¹⁹² Bundy, 343; Kissinger, *White House Years*, 1272.

¹⁹³ Mead, 72.

theory with a vengeance.”¹⁹⁴ As far as the Soviets were concerned, allowing any number of Jews to emigrate was a major concession, for the Soviet government had always been reluctant to allow citizens to leave.¹⁹⁵ To Kissinger the realist, the national interest demanded priority in improving U.S.-Soviet relations while moderating the *international* behavior of the Soviet Union; internal Soviet behavior was not a foreign policy consideration by any means within his foreign policy vision, and Kissinger would rigidly adhere to this tenet of realism throughout the rest of his public career.¹⁹⁶ As Jeremi Suri has written, Kissinger “made human rights a prominent issue by so obviously excluding them from the language of his [foreign policy] strategy.”¹⁹⁷

Nevertheless, the Soviet Jewish emigration tax succeeded in rallying the American Jewish community—which viewed Jewish emigration as a right that had been notoriously ignored by the Soviet government over the years—to focus on the issue of individual freedom, thereby raising the issue of East-West trade to the forefront of American domestic politics by 1973 and threatening to unravel the period of U.S.-Soviet détente that Nixon and Kissinger had worked toward since 1969.¹⁹⁸ The “political beauty of the Jewish emigration issue,” remarks Bruce Jentleson, “was that it appealed to anti-détente conservatives and at the same time evoked the traditional Wilsonian values of liberals and served the interests of the Jewish community”—a

¹⁹⁴ Kissinger, *Years of Upheaval*, 986.

¹⁹⁵ Dobrynin, 267.

¹⁹⁶ Del Pero, 72, 109.

¹⁹⁷ Suri, 246. See also Bruce Kucklick, *Blind Oracles: Intellectuals and War from Kennan to Kissinger* (Princeton: Princeton University Press, 2006), 73.

¹⁹⁸ Paper Prepared in the Office of the Special Representative for Trade Negotiations, U.S. State Department, Washington, undated [but probably around September 6, 1973]. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #183; Bundy, 349.

key Democratic voting bloc.¹⁹⁹ As Kissinger later summarized the new challenge to his economic diplomacy:

[T]he Nixon Administration's carefully calculated approach to East-West trade was to run into increasingly strident opposition from the right over the next few years, just as it had been attacked by the left in the previous period. And most ironically the right's traditional anti-Communism found an ally in the left's antipathy to Nixon and growing concern with human rights.²⁰⁰

Kissinger continued: "Whatever their disagreements with each other, both groups of [conservative and liberal] critics combined, in the economic and arms control fields, to dismantle our policy by public attacks and legislative restrictions—without having a coherent strategy of their own to put in its place."²⁰¹ Thus, Jackson's amendment and the Soviet Jewish emigration issue—even more so than the Congressional outrage over the "Great Grain Robbery"—prompted a serious departure from Kissinger's original Continental realist foreign policy, as he now had to actively advocate the merits of his economic diplomacy and East-West trade policies to a Congress increasingly hostile to East-West trade and U.S.-Soviet détente.

1973: Kissinger's Battle for the Solvency of East-West Trade

In large part as a result of the emotional disillusionment evoked by the Jackson amendment during the fall of 1972, the mood of the American public toward the Soviet Union had significantly changed by the time of Nixon's second inaugural in January 1973. No longer captivated by the "novelty of détente" that had characterized the period following the May 1972 Moscow summit, Americans became increasingly disturbed by an administration paralyzed by the Watergate scandal, which threatened to discredit Nixon's foreign policy achievements, as

¹⁹⁹ Jentleson, 143.

well as the recent unfavorable Soviet behavior toward Jewish emigration and their exploitation of the American grain market.²⁰² Moreover, with the end of the Vietnam War, Nixon and Kissinger could no longer use the war as a justification for détente with the Soviet Union. Détente now “had to stand on its own merits,” and Kissinger—who was insulated from the Watergate scandal—would work to ensure that it did.²⁰³ In order for the October 1972 trade agreements to bear fruit, Kissinger—having little political influence as Nixon’s National Security Advisor—knew that he had to find a way to suppress, or at least circumvent, the intensifying moralistic protests against expanding East-West trade with the Soviet Union without provoking Congressional ire and damaging his own credibility as Nixon’s architect of foreign policy.²⁰⁴

When Congress reconvened in January 1973, the debate over East-West trade spearheaded by Senator Jackson picked up where it had left off before the end of 1972. Jackson successfully consolidated support for his linkage of U.S. trade to relaxed Soviet Jewish emigration restrictions in the Senate, while in the House of Representatives, Congressman Charles Vanik secured 235 co-sponsors for what then coalesced into the Jackson-Vanik Amendment.²⁰⁵ This amendment was formally introduced as an attachment to Nixon’s 1973 Trade Reform Act, which was designed to pursue multilateral negotiations for tariff reduction as well as the removal of trading blocs. After much deliberation, the Nixon administration decided to include a provision for extending MFN status to the Soviet Union, and the Trade Reform Act

²⁰⁰ Kissinger, *White House Years*, 1273.

²⁰¹ Kissinger, *Years of Upheaval*, 984.

²⁰² Bundy, 405; Del Pero, 100.

²⁰³ Bundy, 405.

²⁰⁴ Bundy, 405.

²⁰⁵ *Ibid.*, 407.

thus effectively linked Soviet MFN status to Soviet efforts to lift emigration restrictions.²⁰⁶ By this time, however, Jackson had gained the support of Jewish groups and labor unions, both of which viewed expanded East-West trade as a threat to the job security of American workers.²⁰⁷ With the backing of these coalitions, Jackson had secured a formidable opposition to Nixon's Trade Reform Act.²⁰⁸

With Congressional debate over the Jackson amendment and détente heating up again, Kissinger resumed the formidable task of advocating Congressional approval of his economic diplomacy and East-West trade policies toward the Soviet Union. He quietly worked behind the scenes to procure Soviet assurances against maintaining the controversial exit tax in the early months of 1973 without provoking a direct (and likely damaging) head-on confrontation with Congressional critics of détente and East-West trade.²⁰⁹ Kissinger implored administration officials that the issue of Soviet MFN was especially important, and needed to be handled by himself against Congressional opposition in the NSC, although he expressed his realist aversion to domestic politics in telling Treasury Secretary George Schultz that he “hadn't wanted to get into it [negotiating with Congress over Soviet MFN status].” To Kissinger, Senator Jackson's amendment on the Soviet emigration tax was unacceptable, and “[t]he U.S. attitude [regarding Soviet MFN] is inexcusable—emigration policy is none of our business.”²¹⁰ Kissinger told Schultz that his “instinct” was to “put it [Soviet MFN] in a general or Soviet bill and fight” Congress to get it passed; in particular, Kissinger favored the formula proposed by Senator Jacob

²⁰⁶ Memorandum from Flanigan to Nixon, U.S. State Department, Washington, 28 March 1973. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #168; Hanhimaki, 341; Bundy, 407.

²⁰⁷ Hanhimaki, 341.

²⁰⁸ Bundy, 407.

²⁰⁹ *Ibid.*, 408.

Javits, which would allow the President to grant MFN status to the Soviet Union subject to Congressional veto. This would buy time for negotiating an agreement with the Soviets by removing MFN from Congressional discussions on the Trade Reform Act of 1973 and allowing Nixon to follow through on his trade commitments to Brezhnev, thereby leaving détente intact.²¹¹

In response to Kissinger's efforts, the Soviets gave him a formal message from Brezhnev that the Jewish emigration restrictions would be dropped, and permitted him to pass Brezhnev's note on to Jackson and other Congressional opponents of Soviet MFN. By this time, however, the Watergate scandal had spiraled out of control, providing a "favorable context" for a Congressional attack on détente because Jackson and his colleagues knew that Nixon's power had been all but extinguished, and although Kissinger himself was protected from the Watergate fallout, he surely knew that for him to exert an overt counterattack against the Jackson coalition would be futile, not to mention damaging to his own credibility.²¹² Since he first entered office in 1968, avoidance of domestic politics with regard to foreign policy had been a tenet of Kissinger's Continental realism.²¹³ Until he became Secretary of State in September 1973, Kissinger, as Nixon's National Security Advisor, was not in an ideal position to aggressively resist Congressional attacks on East-West trade and détente. Moreover, the prevailing public opinion of renewed harshness toward the Soviet Union could not be ignored by Congressional

²¹⁰ Memcon between Kissinger, Schultz, and Scowcroft on Soviet MFN and the Trade Bill, U.S. State Department, Washington, 29 March 1973. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #167.

²¹¹ *Ibid.*

²¹² Kissinger, *Years of Upheaval*, 253; Hanhimaki, 342.

²¹³ It is worth recalling that a major tenet of Kissinger's foreign policy design since his arrival in 1968 was to exclude other Executive departments, such as State and Defense, from substantial participation in foreign policy matters. See chapter 1.

representatives acutely sensitive to the political currents.²¹⁴ Jackson was not impressed by Brezhnev's note, and made a further demand that the Soviets revoke the education tax on Jews and guarantee a certain number of yearly exit visas for all emigrants.²¹⁵ Kissinger's advocacy of his economic diplomacy and East-West trade agreements had yet to pay off.

As news of the Soviet response to Kissinger became known, Congressman Wilbur Mills, the chairman of the House Ways and Means Committee, committed his personal support to the Jackson-Vanik amendment under intense pressure from Jackson and his allies.²¹⁶ This was crucial, for Mills would oversee passage of the Jackson-Vanik amendment.²¹⁷ With much uncertainty, Nixon submitted the Trade Reform Act of 1973—containing the provision for Soviet MFN—on April 10, 1973, “spark[ing] a debate that blighted US-Soviet relations ever after.”²¹⁸ The strategy of the Nixon administration on the bill was to buy enough time to reach a compromise with Jackson by first eliminating all references to Soviet MFN as the bill stood submitted before the House; this would simultaneously eliminate the Jackson-Vanik amendment that was attached to the trade bill. “The idea,” as Kissinger later explained, “was to force a conference between the Senate, which was expected to pass Jackson's amendment, and the House; in the conference we would then work out a compromise.” Yet Kissinger's assumption

²¹⁴ Kissinger, *Years of Upheaval*, 253-54.

²¹⁵ Isaacson, 613.

²¹⁶ Memorandum From the President's Assistant for International Economic Affairs Flanigan to President Nixon, U.S. State Department, Washington, 16 March 1973. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #163.

²¹⁷ Bundy, 409.

²¹⁸ Kissinger, *Years of Upheaval*, 249.

that Jackson could be convinced to negotiate on his amendment proved entirely ill-founded, as the ensuing months would make clear.²¹⁹

To the Soviet leaders, the imbroglio over the Jackson-Vanik amendment throughout 1973 represented Nixon's failure to uphold his promises from the 1972 Moscow summit, and they were understandably angered by his failure to follow through with granting MFN status to the Soviet Union. Kissinger, not fully appreciating the Congressional power arrayed against him at the time, and "fundamentally underestim[ing] how crucial East-West trade had become for the Soviet Union,"²²⁰ had misleadingly assured Brezhnev in May 1973 that the problem of Jewish emigration was "peripheral" to the U.S.²²¹ During their eight-day summit (June 17-25) in Washington and San Clemente, California—Nixon's "West Coast White House"—Nixon and Brezhnev did not reach any meaningful progress in East-West trade, and a bilateral declaration of common resolve to prevent nuclear war constituted the only principal "achievement" of the summit. Although Nixon was able to grant "modest" Export-Import Bank credits to the Soviet Union from February onward—the only "progress" in East-West trade during much of 1973—and although the lack of Soviet MFN did not yet significantly hamper East-West trade relations, his and Kissinger's East-West trade policies toward the Soviet Union faced the dual threat of Watergate and the Jackson-Vanik amendment into the Fall of 1973.²²² On September 26, 1973—only days after Kissinger was confirmed as the fifty-sixth U.S. Secretary of State—the Trade Reform Act with the attached Jackson-Vanik Amendment passed the House Ways and Means Committee, ushering in a formidable trial for East-West trade and the detente policies of Nixon

²¹⁹ Ibid., 990.

²²⁰ Lippert, *The Economic Diplomacy of Ostpolitik*, 111.

²²¹ Hanhimaki, 342; Kissinger, as quoted in Hanhimaki, 342.

and Kissinger in the years to come.²²³ As William Bundy put it, “Nixon and Kissinger had their work cut out for them. Jackson was onto a very strong and appealing issue, and not about to let go of it.”²²⁴

Consequently, Kissinger was in an odd situation. In his opposition to the moral dimension of the Jackson amendment that demanded alteration of internal Soviet behavior he remained very much a realist. The recognition of domestic politics, economic diplomacy and East-West trade as essential elements of foreign policy moved him into a defense of a new dimension of foreign policy that he hitherto had frowned upon. To add insult to injury, he had to do in the arena of domestic policy, in front of Congress. Here, Kissinger found politics less enabling and he did not succeed in modifying Congressional attitudes toward East-West trade. By the fall of 1973, the fate of Kissinger’s East-West trade policies—indeed the period of U.S.-Soviet détente itself—was in great danger.

²²² Bundy, 409.

²²³ Kissinger, *Years of Upheaval*, 990.

²²⁴ Bundy, 409.

CHAPTER 4

THE NATURALIZED REALIST

Secretary of State Kissinger vs. Jackson-Vanik

Unlike his position as National Security Advisor under Nixon, the elevation of Henry Kissinger to the office of Secretary of State in September 1973 provided the celebrity diplomat with an ideal platform from which he could defend his détente policies against a growing Congressional opposition. By this point, more than any other political issue at the time, the Jackson-Vanik amendment threatened to destroy Kissinger's vision of a U.S.-Soviet détente. Therefore, as Secretary of State his efforts to salvage détente focused on this crucial East-West trade issue. In the wake of the Yom Kippur War,²²⁵ and as the Watergate scandal neared its climax, the American public, already alienated by a discredited President Nixon, became further disenchanted with the Soviets' aggressive posture. More than ever before, the U.S.-Soviet détente that Nixon and Kissinger had engineered since their rise to power in 1969 came under immutable attack from the American public, and Kissinger found himself defending détente on two fronts: first, against the U.S. Congress, led by Senator Henry Jackson's enduring campaign against Nixon and Kissinger's East-West trade agreements (especially Soviet MFN) that centered on the issue of emigration rights in the Soviet Union; second, and possibly to a lesser

²²⁵ This war began on October 6, 1973, after Egypt and Syria—both Soviet allies—launched a surprise attack on Israel—a crucial Middle East ally of the U.S. Although short in duration (lasting just less than three weeks), the war triggered a large-scale oil embargo from the Arab countries of OPEC (Organization of the Petroleum Exporting Countries) that devastated the U.S. and Western European economies while ushering in an enduring Western energy dilemma. For a general treatment of the October War, see Garthoff, 404-457. For an excellent recent study of the Western energy dilemma and its historically divisive rift within NATO, see Werner Lippert: *The Economic Diplomacy of Ostpolitik*.

extent, the American public, concerned more than ever about the issue of human rights within the Soviet Union.

With Nixon's power diminishing by the day during the summer of 1973 as a result of the Watergate scandal, the president nominated Kissinger to become his next Secretary of State, hopeful that Kissinger's nomination would salvage the credibility of his administration's foreign policy.²²⁶ Insulated from the Watergate fallout so as to avoid completely undermining Nixon and Kissinger's foreign policy achievements, the American public by that time was still captivated by Kissinger, whom all knew played a significant part in engineering U.S.-Soviet detente. Kissinger also enjoyed popularity among the news media, and thus Nixon believed that his appointment as Secretary of State would succeed in galvanizing respectability of and support for the Nixon administration and U.S.-Soviet detente. Thus in late August, Nixon announced Kissinger's nomination as Secretary of State, having gracelessly dismissed William Rogers—whose power had gradually been usurped by Kissinger starting in 1970—from that position.²²⁷

Kissinger seized on the potential of the State Department as an ideal platform from which he could vigorously—and publicly—defend his East-West trade policies and economic diplomacy against Congressional opponents of détente (he would retain his position as National Security Advisor under Nixon and Ford, thus serving both offices simultaneously until November 3, 1975, when he was succeeded in that post by Brent Scowcroft). As shown in the previous chapter, throughout the end of 1972 and 1973, Kissinger's only position as National Security Advisor was to approach domestic political opposition to East-West trade in a low-key

²²⁶ Horne, 186-93.

²²⁷ Bundy, 420.

manner, through advocacy and limited private diplomacy with the Jackson coalition and other Nixon administration officials. As Secretary of State, however, he could now mount a vigorous defense against Congressional opposition to détente and East-West trade. During the Senate hearings on his nomination as Secretary of State, therefore, Kissinger took advantage of this new position and early opportunity by insisting to the Senate Committee that “the State Department must participate extremely actively” in the areas of export controls and East-West trade.²²⁸

With the Jackson coalition specifically in mind, Kissinger wasted little time going on record defending his East-West trade policies, as he testified to the crucial importance of granting MFN status to the Soviet Union in the preservation of U.S.-Soviet détente. This is an issue, Kissinger argued,

that should not be seen simply in the narrow terms of most favored nation but in the whole context of our relationship with the Soviet Union, in which we have made a series of agreements for which the quid pro quo on our side was the readiness to extend it, and where now the refusal to grant most-favored-nation status after the Soviet Union had performed on its side would raise very serious questions about the possibility of long-term arrangements between our two countries...our [the Nixon administration] view is that most-favored-nation status should be granted [to the Soviet Union].²²⁹

This was a reiteration of Kissinger’s strategy of linking U.S. trade concessions to Soviet political concessions that he had adopted in 1969, and expanded upon in early 1972.²³⁰ Because the Soviets had delivered on political concessions (most importantly, by making a final gesture toward ending the Vietnam War), the U.S. had to deliver on economic concessions in return. Indeed, Kissinger pointedly reminded the Senate Committee, extension of MFN status to the

²²⁸ Senate Foreign Relations Committee Hearings on the Nomination of Henry A. Kissinger to be Secretary of State, Washington, September 1973, as quoted in Kissinger, *American Foreign Policy*, 201.

²²⁹ *Ibid.*, 208-9.

²³⁰ See chapters 1 and 2.

Soviet Union was “an essential part of the policy of relaxation of tension that [the Nixon administration has] pursued” since coming to office in 1969.²³¹

Yet the proponents of making human rights a principal goal of American foreign policy—namely, Senator Henry Jackson and his Congressional supporters—continued to insist that MFN status should be withheld until the Soviet Union had transformed its domestic society by relaxing emigration restrictions. This was an excessively abstract moral consideration that was incompatible with Kissinger’s realist philosophy of foreign policy, not to mention a dangerous course for any nation to pursue. If the U.S. adopted such a course, Kissinger warned, “we will find ourselves massively involved in every country of the world, and then many of the concerns...of a constant American involvement everywhere will come to the fore again.”²³²

Therefore, Kissinger asserted to the Committee, “I cannot in good conscience recommend as a principle of American foreign policy that our entire foreign policy should be made dependent on that particular aspect of the domestic structure of the Soviet Union.”²³³ The many fruitful accomplishments of a U.S.-Soviet détente gained from the Moscow summit a year earlier, Kissinger concluded, were being held hostage in this debate. Although the U.S. would never sacrifice its human rights principles, the U.S. “cannot, at the same time, so insist on transformations in the domestic structure of the Soviet system that we give up the general evolution that we are hopefully starting” with a stable period of U.S.-Soviet détente.²³⁴ In essence, Kissinger was arguing for a realist foreign policy toward the Soviet Union, and one that

²³¹ Ibid., 209.

²³² Ibid., 209-10.

²³³ Ibid.

²³⁴ Ibid., 211.

went beyond the singular issue of East-West trade, by insisting upon the strict exclusion of excessive moral considerations from American foreign policy.

Having articulated his realist position on East-West trade toward the Soviet Union to the Senate Committee, Kissinger moved quickly within the Nixon administration to rally Congressional support behind his East-West trade policies. Six days after his confirmation as Secretary of State, Kissinger and Nixon met with a group of Republican Congressional leaders to set the record straight on East-West trade. Seizing the opportunity to close Republican ranks behind Nixon's Trade Reform Bill (which included a provision for Executive control of MFN status), Kissinger reminded the Republican leaders of the success of his and Nixon's linkage policy in yielding political progress with the Soviets, as well as the crucial role of East-West trade as a component of linkage: "When you [Republicans] came into office you said we would pursue trade only if certain conditions were met. That linkage was universally controversial. Now we are being castigated in just the opposite way. The President *invented* the idea of getting something for trade."²³⁵ Nixon then reiterated the importance of linkage, acknowledging that "it is inevitable that politics and economics go together. The Soviet Union says trade—we say MBFR. They say trade—we say SALT. It's *not* explicit but implicit."²³⁶ Looking toward the future, Nixon warned the group of Republicans that if his Trade Reform Bill failed, "I want the Soviet Union to know we tried and want our opponents to know they are responsible for the consequences."²³⁷ Kissinger then articulated the crucial role of East-West trade and economic diplomacy within his realist foreign policy toward the Soviets while emphasizing the perilous

²³⁵ Memcon from a meeting between Nixon, Kissinger, and Republican Congressional leaders, U.S. State Department, Washington, 27 September 1973. *FRUS, 1969-1976, Volume XXXI, Trade Policy*, #187.

²³⁶ *Ibid.*

path of Jackson's anti-Soviet crusade against détente: "It is important to understand that trade with the Soviet Union is not important [to the U.S.]. What is important is they have given in: peace in the Middle East, out of South East Asia, Berlin access, and no base in Cuba. Now, when they have performed, [why do] we raise this issue?"²³⁸ As he bluntly stated the issue in a later cabinet meeting with Nixon officials, "[t]his frivolous monkeying around with the domestic policy of the Soviet Union can have the most serious consequences. This is one of the most important foreign policy issues of our times."²³⁹

Although Kissinger could not have cared less for East-West trade and economic diplomacy as a Continental realist at the outset of his White House career, the Jackson-Vanik amendment forced him to elevate East-West trade and economic diplomacy to the realm of high politics. Without a successful defense of his East-West trade policies that deflected the Jackson-Vanik amendment and reaffirmed the U.S. commitment to trade in the eyes of Soviet leaders, Kissinger knew, the future of U.S.-Soviet détente would be imperiled. Recognizing the importance of educating the American public about the merits of East-West trade and détente as a goal of U.S. foreign policy, Kissinger turned his attention to the American public in a speech delivered in Washington on October 8, 1973.²⁴⁰ The speech emphasized Kissinger's naturalized realism and focused substantially on the on-going dilemma of Congressional interference with East-West trade, as well as the danger to the national interest in entangling excessive morality and foreign policy. As a largely Continental realist statesman during his first years in the Nixon

²³⁷ Ibid.

²³⁸ Ibid.

²³⁹ Minutes of Nixon Cabinet Meeting, U.S. State Department, Washington, 18 October 1973. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #191.

²⁴⁰ Kissinger, *Years of Upheaval*, 981.

administration, Kissinger likely would have shirked from confronting both Congress and the American public on foreign policy issues. In publicly defending East-West trade and détente, however, Kissinger illustrated a decisive departure from the doctrinaire limits of Continental realism by recognizing public opinion as an essential element of U.S. foreign policy, a realization that he had been slow to grasp.

In contrast to this interpretation, Alan Dobson contends that Kissinger had never correctly understood the relationship between economic issues and the American public, arguing that “Kissinger did not seem to appreciate that raising economics into high politics did not sever the connections with domestic political constituencies.”²⁴¹ While Dobson’s interpretation has been supported by a number of prominent Kissinger scholars,²⁴² however, Kissinger’s defensive posture against the Jackson-Vanik amendment clearly indicates that he *did* come to appreciate the central role of domestic politics in shaping American foreign policy. To be sure, this realization occurred relatively late in Kissinger’s foreign policy career. In the wake of the escalating political fallout from the Watergate scandal during 1973, in which Kissinger had to avoid an aggressive posture against Congressional opposition, as well as the public backlash against Soviet involvement in the Angola affair,²⁴³ it is rather easy to overlook this change in Kissinger’s foreign policy vision. Nevertheless, upon his nomination as Secretary of State, Kissinger’s vigorous defense against Congressional opposition to his East-West trade policies,

²⁴¹ Dobson, 211.

²⁴² See for example Hanhimaki, 300-301, 380-381; Isaacson, 607-621; Suri, *Henry Kissinger and the American Century*, 196.

²⁴³ See Bundy, 505-507.

and thus his recognition of domestic politics as an essential element in American foreign policy, marked a decisive retreat from his original embrace of Continental realism.

Looking back upon shifting public perspectives on U.S.-Soviet relations since the beginning of the Cold War, Kissinger reminded his audience of the perilous condition of détente, jeopardized as it was by Congressional opposition to expanded East-West trade in the Jackson-Vanik amendment. “The desirability of peace and détente is affirmed,” Kissinger argued, “but both the inducements to progress and the penalties to confrontation are restricted by legislation” – referring to the direct intrusion of internal Soviet behavior prescribed by the Jackson-Vanik amendment.²⁴⁴ Carefully acknowledging the sensitive issue of Soviet Jewish emigrants, Kissinger advocated a cautious approach to such issues: “It is clear that we face genuine moral dilemmas and important policy choices. But it is also clear that we need to define the framework of our dialogue more perceptively and understandingly.”²⁴⁵

Later on in the speech, Kissinger cautioned against the dangerous relationship between excessive morality and foreign policy, an amalgam that the realist Kissinger thought dangerous to the national interest: “when policy becomes excessively moralistic, it may turn quixotic or dangerous. A presumed monopoly on truth obstructs negotiation and accommodation. Good results may be given up in the quest for ever-elusive ideal solutions. Policy may fall prey to ineffectual posturing or adventuristic crusades.”²⁴⁶ Yet throughout 1973, Kissinger reminded his audience, the U.S. had fallen prey to such ineffectual and dangerous posturing on excessively moralistic issues with regard to East-West trade relations with the Soviet Union, even after the

²⁴⁴ “The Nature of the National Dialogue”, Address delivered to the *Pacem in Terris III* Conference, Washington, 8 October 1973, as quoted in Kissinger, *American Foreign Policy*, 257.

Soviets had cooperated by ceasing the exit tax and considering hardship cases.²⁴⁷ Indeed, to Kissinger, Congressional resistance to granting Soviet MFN status following the quid pro quo of Soviet cooperation on Vietnam, strategic arms limitations, and other issues threatened to undermine détente completely:

Until recently the goals of détente were not an issue. The necessity of shifting from confrontation toward negotiation seemed so overwhelming that goals beyond the settlement of international disputes were never raised. But now progress has been made—and already taken for granted. We are engaged in an intense debate on whether we should make changes in Soviet society a precondition for further progress—or indeed for following through on commitments already made. The cutting edge of this problem is the congressional effort to condition most-favored-nation trade status for other countries on changes in their domestic systems.²⁴⁸

Kissinger insisted that the Soviet Jewish emigration problem should not have been addressed “as a debate between those who are morally sensitive and those who are not, between those who care for justice and those who are oblivious to humane values.”²⁴⁹ Rather than asking Americans to sacrifice their moral principles and sense of justice, Kissinger was simply reaffirming his realist outlook on foreign policy by arguing that moral considerations should be divorced from the realm of foreign policy.

Therefore, Kissinger accurately pointed out that the linkage of humanitarian demands upon the Soviet Union for modifying their domestic behavior “raises questions about our entire bilateral relationship.”²⁵⁰ Kissinger insisted that there must be limits on the degree to which the U.S. could promote justice, humane principles, and fundamental liberties abroad, especially in

²⁴⁵ Ibid.

²⁴⁶ Ibid., 259.

²⁴⁷ Ibid., 263.

²⁴⁸ Ibid., 262.

²⁴⁹ Ibid., 262-63.

²⁵⁰ Ibid., 263.

states as fundamentally divergent from the U.S. as the Soviet Union. Yet caution and pragmatic reasoning must prevail in approaching U.S.-Soviet relations, particularly with regard to the issue of East-West trade: “As long as we remain powerful we will use our influence to promote freedom, as we always have. But in the nuclear age we are obliged to recognize that the issue of war and peace also involves human lives and that the attainment of peace is a profound moral concern.”²⁵¹

Thus, Kissinger’s early efforts in defending his East-West trade policies and economic diplomacy as Secretary of State stressed his realist aversion to the relationship between excessive moral considerations and foreign policy. An excessively moralistic foreign policy, Kissinger argued to Jackson’s followers as well as the American public, could seriously disrupt global stability and destroy détente. In this sense, the Jackson-Amendment became a significant test case of détente. Although as a Continental realist Kissinger had once hardly considered East-West trade and economic diplomacy vital aspects to U.S. foreign policy, he had clearly come to understand the essential importance of East-West trade to the national interest and the preservation of détente, and would continue to defend his trade policies against Congressional opposition and the Jackson-Vanik amendment to that end. Yet, in his new support of East-West trade and economic relations with the Soviets as a tenet of his foreign policy, Kissinger was not willing to go as far as Senator Jackson and his supporters to embrace a Wilsonian imposition of democratic values on other countries.²⁵² On the contrary, Kissinger’s insistence on the separation of morality from the national interest was very much consistent with the realist foreign policy tradition.

²⁵¹ Ibid., 264-65.

To an impatient Soviet leadership that balked at Jackson's demands for formal public agreements on exit quotas, the U.S. failure to deliver Soviet MFN status was a sign of insincerity on the part of the Nixon administration, which had promised MFN to the Soviets in the October 1972 trade agreements. Near the end of 1973, Kissinger reaffirmed his commitment to make good on his East-West trade agreements by assuring Soviet leaders that he would do everything possible to defeat Jackson (their "common enemy") and his amendment to the pending Trade Reform Bill.²⁵³ Yet beyond the Jackson-Vanik amendment, the additional strain on U.S.-Soviet relations as a result of Soviet involvement in the October War "made economic dealings with the Soviet Union difficult at best," and Kissinger delayed further negotiations over Soviet MFN until the Middle East crisis was resolved.²⁵⁴

1974: The Crucial Year

1974 would prove to be the crucial year with regard to the fate of Kissinger's East-West trade policies. When the second session of the ninety-third Congress convened on January 21, 1974, Congressional debate over the Jackson-Vanik amendment and East-West trade was renewed in the Senate. The arena was significant, for the Senate Finance Committee held ultimate responsibility for the Trade Reform Bill.²⁵⁵ Therefore, with the passage of the Jackson-Vanik amendment under the pending Trade Reform Bill becoming more likely, Kissinger resumed his vigorous defense of East-West trade against Congressional opposition while intensifying his diplomatic efforts toward the Soviet Union in order to reassure a skeptical Soviet

²⁵² For a full discussion on the Wilsonian strand of American foreign policy, see Mead, 132-173.

²⁵³ Memcon between Kissinger and Gromyko, 22 December 1973, RG 59, Box 24, folder CATC Material, Natural HAK-Meir, Nov.-Dec. 1973, 18, National Archives; Hanhimaki, 367.

²⁵⁴ Lippert, 136; Minutes of Nixon Cabinet Meeting, U.S. State Department, Washington, 18 October 1973. *FRUS, 1969-1976, Volume XXXI, Trade Policies*, # 191.

²⁵⁵ Stern, 105.

leadership that the U.S. remained committed to détente.²⁵⁶ Thus, throughout 1974, Kissinger would very much treat East-West trade as a high policy issue, in sharp contrast to his original Continental realist conception of trade as a mere political incentive for enticing Soviet political concessions.²⁵⁷ During a White House meeting on February 4, 1974, a worried Dobrynin reminded Nixon and Kissinger that the MFN issue had become a “highly symbolic issue” in U.S.-Soviet relations and, as he later reflected, “no other single question did more to sour the atmosphere of détente than the question of Jewish emigration from the Soviet Union.”²⁵⁸ In discussing the issue during a meeting three days later, Nixon—by this point more despondent than ever over the fallout from Watergate—was less than comforting to Gromyko and Dobrynin on the prospects of granting Soviet MFN: “Concerning MFN, I would be less than candid if I said there is no problem... We [the administration] are working on this, but without immediate hope for success in Congress. We are [also] trying to keep the [Export-Import Bank] credits alive.”²⁵⁹

Desperately trying to salvage East-West trade and détente, Kissinger intensified his efforts to pacify Congressional opposition and prevent passage of the Jackson amendment. On March 6, 1974, Kissinger met with Jackson for the first time to grapple over the issue of Soviet MFN.²⁶⁰ Years later, Kissinger would describe Jackson as a “fierce negotiator” and a “master psychological warrior,” a pure politician who had perfected his craft throughout a long

²⁵⁶Hanhimaki, 368.

²⁵⁷ See chapters 1 and 2.

²⁵⁸ Memcon between Kissinger and Dobrynin, 1 February 1974, RG 59, Box 6, folder Nodis Memcons February 1974, 4, National Archives; Dobrynin, 334.

²⁵⁹ White House meeting with Gromyko and Dobrynin, 4 February 1974, RG 59, Box 20, folder 1, 14, National Archives. Kissinger, Helmut Sonnenfeldt, and Walter Stoessel joined President Nixon for the discussion.

²⁶⁰ Stern, 107.

Congressional career.²⁶¹ During the meeting, Kissinger repeated the argument that he had established during 1973—to no avail—that if the Soviets conceded to Jackson’s demands regarding emigration policies, “the ante could be raised at will” on the part of the U.S., which would inevitably lead to Soviet disillusionment with détente and a return to early Cold War superpower tensions.²⁶² Yet despite Kissinger’s persistent argument, Jackson and his supporters remained convinced that “real détente...depends upon the recognition of all concerned of certain moral rules of the game with which all must abide.”²⁶³ During the meeting, Jackson rejected Kissinger’s offer of granting Soviet concessions for a determined amount of time, after which Congress could review the situation and revoke those concessions if merited. Thereafter, the two men departed without any concrete agreement.²⁶⁴ However sincere Jackson was on the moral issue of Jewish emigration from the Soviet Union, the Washington senator had clearly latched on to what he thought was a winning political issue (in July 1974, Jackson’s Gallup poll numbers for the presidency reached an all-time high of 22 percent), and indicated no sign of retreat during his meeting with Kissinger.²⁶⁵

The on-going political “tug-of-war” over the status of Soviet MFN throughout the early months of 1974 was “maddening” to Kissinger.²⁶⁶ In private conversations with subordinates, he often vented his frustration about “these bastards on the hill,” referring to what he saw as the

²⁶¹ Kissinger, *Years of Upheaval*, 991-2.

²⁶² *Ibid.*

²⁶³ “Détente: Hearings before the Subcommittee on Europe of the Committee on Foreign Affairs,” House of Representatives, 93rd Congress, 141. Testimony of Hans Morgenthau, eminent political scientist. Later in his testimony, Morgenthau continued: “The balance of power which is the foundation stone of our foreign policy, and especially the balance of terror, the nuclear balance of power, is not a self-sufficient entity...it operates within a moral framework from which it receives its vital energies and its viability.” *Ibid.*

²⁶⁴ Stern, 107.

²⁶⁵ Hanhimaki, 368; Lippert, 138.

²⁶⁶ Kissinger, *Years of Upheaval*, 995.

irrepressible, obstructionist Jackson-Vanik coalition.²⁶⁷ Kissinger was scrambling to save détente, but was clearly sidelined by Jackson's successful public campaign against Soviet MFN. The Soviets were meanwhile growing impatient with Congressional reluctance to extend MFN status, and Kissinger knew that moving forward in other bilateral negotiations would now be difficult as a result of the stalled U.S. commitment to East-West trade. In a meeting with subordinates on March 18, 1974, Kissinger explained this dilemma with regard to a new SALT agreement: "What I want to give the Russians is something to start the SALT process working smoothly. I do not want to give them a final position and tell them to take it or leave it. Trade is no good, [but] SALT can't go down the drain...no matter what we do, the [Joint] Chiefs [of Staff] and Jackson will shoot the hell out of us so we might as well do what is right."²⁶⁸ Thus, even though his vigorous defensive posture against Congress had further entrenched his transition away from Continental realism, Kissinger's initial failure to account for the influence of domestic politics on U.S. foreign policy continued to frustrate his attempts to defend his East-West trade policies and economic diplomacy toward the Soviet Union, which had become an essential factor in the preservation of U.S.-Soviet détente.

Kissinger's frustration over the Jackson-Vanik amendment was reciprocated by the Soviet leadership in his diplomatic exchanges throughout 1974. When Kissinger met with Brezhnev in March 1974, the Soviet General Secretary did not hide his frustration and misgivings about the unfavorable economic atmosphere. Brezhnev lamented the fact that U.S. extension of MFN status to the Soviet Union—what Soviet leaders then considered "the cardinal

²⁶⁷ Memcon, Secretary of State Kissinger's Visit to the Soviet Union, 18 March 1974, as quoted in William Burr, *The Kissinger Transcripts: The Top Secret Talks with Beijing and Moscow* (New York: The New Press, 1998), 226.

and fundamental issue” of détente and ending trade discrimination against the Soviet Union—had yet to be resolved.²⁶⁹ Nixon’s “friendly statements [had not been] reinforced by appropriate actions,” Brezhnev complained. In response, Kissinger reaffirmed the U.S. commitment to expanded East-West trade and détente, assuring the Soviet leader that “[w]e believe very strongly in the general improvement in our political relations, and we believe a general improvement in economic relations is an essential component of that relationship.”²⁷⁰ Referring to the Jackson-Vanik amendment, he admitted that the Nixon administration had “encountered a number of domestic obstacles, some of a highly irresponsible nature.”²⁷¹ Trying to assuage Brezhnev’s misgivings, Kissinger continued: “You must be aware of the fact that the President and I have worked unceasingly to overcome them. And we will continue to do this...we will cease no effort to implement the trade legislation and overcome the additional restrictions that opponents are attempting to impose on us.”²⁷²

In addition to obstructing extension of Soviet MFN, throughout 1973 the Jackson-Vanik coalition had also gradually positioned itself into restricting Export-Import Bank credits to the Soviet Union—another key economic concession that Nixon and Kissinger had promised to the Soviets as part of the comprehensive October 1972 trade agreements—regardless of what happened to Soviet MFN. As a result, Kissinger later remarked, the Jackson-Vanik coalition’s “assault on credits reduced Soviet readiness to spell out the assurances on emigration; [and] failure to feed the seemingly insatiable appetite for additional assurances provided an excuse for

²⁶⁸ *Ibid.*, 227.

²⁶⁹ Memcon between Kissinger and Brezhnev, March 1974, RG 59, Box 20, folder 1, 28, National Archives.

²⁷⁰ *Ibid.*

²⁷¹ *Ibid.*, 29.

²⁷² *Ibid.*

[Soviet] foot-dragging on a compromise.”²⁷³ When Brezhnev raised this issue to Kissinger, the Secretary of State confirmed that extension of credits to the Soviet Union was “in our [U.S.] interests.” Yet Kissinger cautioned Brezhnev to be mindful of the broader domestic political considerations affecting East-West trade in the U.S., stressing the point that the U.S. had to “evaluate [Export-Import Bank credits] in terms of the domestic situation at this point, because we don’t want to hurt the possibility of achieving a positive solution to the MFN question.”²⁷⁴ Nevertheless, Kissinger assured Brezhnev, the Nixon administration had “every intention of bringing about a favorable consideration” toward extending Soviet credits, for this issue “links our two countries together and...is a concrete expression” of détente.²⁷⁵ Kissinger expressed his optimism that favorable trade legislation would be passed by July 1974, and reminded the Soviet Chairman that if he could persuade Senators once favorable to the Jackson-Vanik amendment to support his East-West trade policies, “it will be possible to bring about a [positive] solution” to the East-West trade dilemma.²⁷⁶

Kissinger’s optimism toward Brezhnev proved difficult to justify, as his battle against the Jackson-Vanik amendment dragged on into the summer months of 1974 with no positive resolution in sight. Within this unfavorable context, Nixon’s final summit meeting in Moscow during late June and early July succeeded only in “yield[ing] an adequate number of minor agreements to allow the appearance of continued détente to be sustained,” and “added little to the

²⁷³ Kissinger, *Years of Upheaval*, 996-7.

²⁷⁴ Memcon between Kissinger and Brezhnev, March 1974, RG 59, Box 20, folder 1, 33, National Archives.

²⁷⁵ Ibid. Despite Kissinger’s assurances to Brezhnev regarding Export-Import credits, the Secretary of State had virtually neglected to resist legislation restricting Soviet credits, which was eventually included in the final Trade Reform Act. See Burr, *Kissinger Transcripts*, 323.

²⁷⁶ Ibid., 34.

overall structure of the Soviet-American relationship.”²⁷⁷ While the prospects of salvaging Kissinger’s East-West trade policies continued to diminish, the escalating fallout from the Watergate scandal finally forced Nixon to become the first American President to resign from office on August 9, 1974. As Nixon’s credibility had continued to decrease over time from the Watergate scandal, political opposition to his policies—including East-West trade liberalization with the Soviet Union—had increased proportionally.²⁷⁸ As he later recorded in his memoirs, Kissinger marked the summer of 1974 as the point at which the “carrot” of trade concessions for the Soviets “had for all practical purposes ceased to exist.”²⁷⁹

Following Nixon’s resignation, the office of the Presidency was assumed by Vice President Gerald Ford, a former Republican Congressional leader from Michigan with very little foreign policy experience.²⁸⁰ Politically cautious, yet impressed and highly confident in Kissinger’s abilities, Ford was all too willing to allow his Secretary of State considerable control over U.S. foreign policy.²⁸¹ Seeking a continuation of the Nixon policy of U.S.-Soviet détente, Ford shared Kissinger’s sense of the importance of East-West trade and economic diplomacy, believing that “the development of strong economic ties with the countries of Eastern Europe, the Soviet Union and the People’s Republic of China represents an essential element in our overall policy.”²⁸²

²⁷⁷ Hanhimaki, 355.

²⁷⁸ Werner Lippert, “The Economics of *Ostpolitik*,” published in Matthias Schuz and Thomas A. Schwartz, *The Strained Alliance: U.S.-European Relations from Nixon to Carter* (New York: Cambridge University Press, 2010), 78.

²⁷⁹ Kissinger, *Years of Upheaval*, 998.

²⁸⁰ Hanhimaki, 362.

²⁸¹ Burr, 323; Hanhimaki, 362.

²⁸² Burr, 322; Transcript of Economic Summit in Rambouillet, France, 15-17 November 1975, RG 59, Box 13, folder 5, 3, National Archives.

Shortly after Ford assumed the Presidency on the day of Nixon's resignation, Kissinger brought the new President up to speed regarding the status of the Trade Reform Bill and the Jackson-Vanik amendment in his on-going drive to defend his East-West trade policies against a Congress increasingly hostile to détente. For the past few weeks, Kissinger reported, he had "tried to reach an understanding with Jackson...concerning the standards that we would apply in judging Soviet emigration practices and a means whereby MFN and [Export-Import Bank] credits could go forward at least for an initial period so that the Soviets would have an incentive to improve their emigration performance."²⁸³ This was the same offer that Kissinger had pitched to Jackson during his earlier meeting with the Senator on March 6. Reemphasizing his realist conceptualization of diplomacy, which stressed the danger to the national interest of linking excessive morality to foreign policy, he reminded Ford that the MFN issue "is obviously one of great sensitivity for the Soviets," and Jackson's unreasonable demands "not only went far beyond what I could in conscience assert the Soviets had promised, but what any sovereign state would tolerate having another government say about its internal order."²⁸⁴ Time was running out, and if the administration could not prevent the passage of the Jackson-Vanik amendment as it stood, Kissinger argued, the Soviets would lose interest in East-West trade and, more importantly, maintaining U.S.-Soviet détente.

By the fall of 1974, however, the Ford administration had failed to turn the tide of domestic political opinion on Soviet MFN, even after Kissinger provided another defense of his East-West trade policies in his testimony before the Senate Foreign Relations Committee on

²⁸³ Memorandum from Kissinger to Ford regarding the status of Kissinger's negotiations with Jackson over the Trade Bill, U.S. State Department, Washington, 9 August 1974. *FRUS, 1969-1976, Volume XXXI, Foreign Economic Policy*, #210.

September 19. In a strong reaffirmation of his realist commitment to East-West trade and U.S.-Soviet détente, Kissinger argued that “[o]ver time trade and investment may leaven the autarkic tendencies of the Soviet system, invite gradual association of the Soviet economy with the world economy and foster a degree of interdependence that adds an element of stability to the political equation.”²⁸⁵ Nearly a month later, on October 18, after a private exchange of letters between Kissinger and Jackson regarding the issue of Soviet MFN, Ford allowed Jackson—unwisely, as it turned out for the Ford administration—to brief the press on the exchange. The letter exchange was designed by Kissinger to resolve the issue of Soviet emigration and MFN by providing Jackson and his supporters with assurances of forthcoming changes in Soviet domestic policy.²⁸⁶ Seizing another opportunity for political gain, Jackson publicly insisted upon a “benchmark” figure of 60,000 emigration visas from the Soviet Union, effectively presenting the letter exchange as “a moral victory over Soviet repression” by insisting that he had achieved a “historic understanding [on] human rights.”²⁸⁷ Not coincidentally, Jackson’s press briefing occurred a few weeks prior to the mid-term Congressional elections (in which Democrats swept both houses of Congress). Soviet confidence in détente and the new Ford administration was dealt a heavy blow.²⁸⁸

Following this embarrassing “trick” of Jackson (as Kissinger described it to Brezhnev), which had if nothing else further consolidated Congressional and public support for the Jackson-Vanik amendment, Kissinger traveled to Moscow in October 1974 to once again face a frustrated

²⁸⁴ Ibid.

²⁸⁵ Testimony by Henry A. Kissinger to the Senate Foreign Relations Committee, September 19, 1974, as quoted in Kissinger, *American Foreign Policy*, 158-9.

²⁸⁶ Burr, 323; Hanhimaki, 368.

²⁸⁷ Hanhimaki, 368; Jackson as quoted in Burr, 323.

²⁸⁸ Hanhimaki, 368. For an extended discussion, see Stern, 165-93.

Brezhnev.²⁸⁹ Although Kissinger’s primary objective was to pave the way for a conclusive SALT II agreement at Ford’s upcoming summit with Brezhnev in Vladivostok, Russia, neither the Secretary of State nor the Soviet Chairman could ignore the trade issue.²⁹⁰ During their meeting of October 24, an indignant Brezhnev—referring to the requirements of the Jackson-Vanik legislation—denounced the U.S. failure to “live up to its obligations and agreed positions” from the October 1972 trade agreements, particularly Soviet MFN.²⁹¹ Brezhnev then proclaimed to Kissinger that the Soviets would not accept MFN status as a “gift” from the U.S. for good behavior, slamming his hand on the table in front of him for emphasis. “We [the Soviet Union] see it as a discriminatory practice that we cannot agree to. I wish to emphasize that!”²⁹² While Senator Jackson was at that point demanding that the Soviets issue a quota of 60,000 exit visas per year, Brezhnev told Kissinger that no more than 15,000 Soviet Jews wanted to leave the Soviet Union. Therefore, the Soviet government could not comply with Jackson’s demand, even if it wanted to.²⁹³

To the Soviet leadership, it was clear that although the Ford administration may have been sincere about expanding East-West trade relations and preserving détente, the U.S. Congress did not reflect such convictions. “The import of this [Jackson-Vanik amendment],” Brezhnev pointed out to Kissinger, “is that Jackson has won a great victory over the White House and...has managed to extract certain concessions from the Soviet Union.”²⁹⁴ Yet the

²⁸⁹ Kissinger meeting with Brezhnev and other U.S. and Soviet officials in Moscow, 24 October 1974, RG 59, Box 20, folder 5, 17, National Archives.

²⁹⁰ Hanhimaki, 360.

²⁹¹ Kissinger meeting with Brezhnev and other U.S. and Soviet officials in Moscow, 24 October 1974, RG 59, Box 20, folder 5, 5, National Archives.

²⁹² Ibid.

²⁹³ Ibid., 7.

²⁹⁴ Ibid.

Soviet leaders could not tolerate the increasing demands of Jackson and other Congressman hostile to the Soviet Union and, despite Kissinger's vigorous efforts to deflect passage of the Jackson-Vanik amendment, Brezhnev was compelled to "think that the United States is not doing all it can to improve relations" with the Soviet Union.²⁹⁵ Despite this cool reception, Kissinger was confident that his later meeting with Brezhnev on November 9 succeeded in reaffirming the Soviet commitment to détente, and reported that the Soviets maintained a "keen interest" in expanding East-West trade relations.²⁹⁶

By the time of Ford's preparations for a U.S.-Soviet summit in Vladivostok in late November, Kissinger was acutely aware that economic relations with the Soviet Union were uncertain at best. Thus, before Ford's first meeting with Brezhnev in Vladivostok, Kissinger implored Ford to "make the point that you are perfectly willing to take on [Congressional] critics on the issue of détente, but you can only do so if Soviet-American relations are seen to be in the mutual interest" and not "contradicted by inflammatory international positions," especially on issues such as East-West trade or the Middle East.²⁹⁷ Committed to détente, Kissinger deemed it essential that Brezhnev and the Soviet leadership were "confident that the American people will support a policy of peaceful and constructive relations with the USSR," a policy that Kissinger himself had carefully cultivated since his appointment as Nixon's National Security Advisor in 1968.²⁹⁸

Although the future of détente remained uncertain, Kissinger wanted the Soviets to

²⁹⁵ Ibid.

²⁹⁶ Memorandum from Kissinger to Ford regarding Kissinger's meeting in Moscow, 9 November 1974, RG 59, Box 5, folder 6, 1-3, National Archives.

²⁹⁷ Undated Memorandum from Kissinger to Ford regarding Ford's first meeting with Brezhnev, RG 59, Box 5, folder 6, 4, National Archives.

believe that the new Ford administration would carry on the mantle of détente advanced during the previous Nixon administrations. Since both the U.S. and Soviet Union had achieved “a clear improvement in political relations,” Kissinger noted, both sides should continue to “examine whether and how we can make major strides in expanding economic relations.”²⁹⁹ Kissinger reminded Soviet leaders about the upcoming Presidential election in 1976, and warned the Soviets that if détente failed, “the 1976 [Presidential] campaign may get turned into a debate about new military programs and ‘standing up’ to the Russians”—a resumption of intractable Cold War antagonisms between East and West which Kissinger believed neither side could afford to revert to.³⁰⁰ Nevertheless, Ford should “say [to Brezhnev] that we will fulfill our [trade] commitment; we will press for Most Favored Nation treatment, as agreed,” and both sides should “set a goal of increased trade, and new joint projects” in the future.³⁰¹

Although the Vladivostok summit should have been the “high point” of U.S.-Soviet relations under Ford, neither Ford nor Kissinger could stem the tide of Jackson’s relentless assault on East-West trade.³⁰² By mid-December 1974, it became clear that Kissinger’s efforts to mount a vigorous defense of his East-West trade policies had ultimately failed. The Trade Reform Act³⁰³, which provided the functional basis for U.S. international trade, was passed by both houses of Congress on December 20, 1974, and signed into law by Ford two weeks later on

²⁹⁸ Ibid., 5.

²⁹⁹ Memorandum from Kissinger to Ford suggesting talking points for the President in discussions with Brezhnev, November 1974 (precise date unknown), RG 59, Box 1, folder 2, 3, National Archives.

³⁰⁰ Memorandum from Kissinger to Ford regarding Ford’s first meeting with Brezhnev, 9 November 1974, RG 59, Box 5, folder 6, 5, National Archives.

³⁰¹ Memorandum from Kissinger to Ford suggesting talking points for the President in discussions with Brezhnev, November 1974 (precise date unknown), RG 59, Box 1, folder 2, 3, National Archives. Due to the ongoing upheaval caused by the Jackson-Vanik amendment, nothing of economic importance was accomplished at the Vladivostok summit. Among the most important issues discussed at this summit were a new SALT II agreement, the Middle East, and preparations for a European security conference. Leffler, 245-7.

³⁰² Hanhimaki, 373; Dobrynin, 329; Kissinger, *Years of Renewal*, 302.

January 3, 1975.³⁰⁴ With regard to East-West trade, the bill limited Export-Import Bank credits to 75 million dollars annually, with additional credit loans subject to Congressional approval; extension of MFN status was contingent upon favorable Soviet domestic conduct as outlined by the Jackson-Vanik amendment, and subject to annual review.³⁰⁵

To Kissinger, the Trade Reform Act of 1974 would encourage the Soviets to feel less restrained in their future conduct: “Our hold on them [the Soviets] is gone,” he lamented to Ford in early January.³⁰⁶ Despite Kissinger’s vigorous (albeit belated) efforts to defend his East-West trade policies against Congressional opposition, following the passage of the Trade Reform Act with the attached Jackson-Vanik amendment in January 1975 expansion of East-West trade on the part of the U.S. had become nearly impossible to implement. Kissinger despaired that the agitating American Jewish groups had “gone too far” in their demands upon Soviet emigration, which provided the fuel for the Jackson-Vanik amendment in the first place.³⁰⁷ Yet Kissinger’s resentment clearly underscores his initial ignorance of the power of domestic constituencies to exert a significant influence on American foreign policy. Venting his frustration during a staff meeting, Kissinger asked his subordinates: “Do you think any Soviet leader, after they heard what they heard from Nixon [at the Moscow summit of May 1972]...about the prospects of trade—and what would happen if they did certain things—will believe that Congress will take certain [detrimental] measures? They would have to be crazy. They were never even told there was a possibility of congressional difficulty.”³⁰⁸ Nevertheless, Jackson’s assault on East-West

³⁰³ Trade Act, P.L. 93-618 of 3 January 1975.

³⁰⁴ Hanhimaki, 379; see also Garthoff, 505-16; and Stern, 173-90.

³⁰⁵ Hanhimaki, 379.

³⁰⁶ Cabinet Meeting Minutes, 8 January 1975, Box 3, James E. Connor Files, Gerald Ford Library.

³⁰⁷ Secretary’s Staff Meeting, 3 January 1975, RG 59, Box 2, folder 2, 32, National Archives.

³⁰⁸ *Ibid.*, 33.

trade ultimately triumphed over Kissinger's naturalized realism. On January 14, 1975, Kissinger announced to the press that he had been directed by the Soviet government to officially cancel the October 1972 trade agreements, for the requirements of Trade Reform Act "constitute[d] unwarranted foreign interference in [Soviet] internal affairs."³⁰⁹

Indeed, the Congressional vote in favor of the Jackson-Vanik Amendment was an "unpleasant surprise" for the Soviet leadership, which, as Kissinger once had as a proponent of Continental realism, did not fully appreciate the powerful influence of domestic politics on U.S. foreign policy.³¹⁰ Yet U.S. domestic opposition was not the only reason that the Jackson-Vanik amendment was unacceptable to the Soviets. As Werner Lippert notes, "the Soviet tightrope act of increasing imports from the West while at the same time maintaining public faith in planned economies," more than U.S. domestic decisions, made the Jackson-Vanik amendment more unacceptable to the Soviet leadership. Indeed, expanded trade with the West—which meant exposing the Soviet economy to the unpredictable and uncontrollable forces inherent in a Western market economy—was always resisted to varying degrees by Soviet central planners. As there were many Congressional "hawks" opposed to détente in the U.S., a conservative shift within the Kremlin during 1973 saw many Soviet leaders opposed to détente, as well.³¹¹

Although the Soviets remained interested in expanding East-West trade after 1975, the Trade Reform Act of 1974 severely hampered U.S.-Soviet trade throughout the remaining years of the Cold War and contributed substantially to the demise of détente.³¹² Reflecting upon the

³⁰⁹ Congressional Record, East-West Foreign Trade Board First Quarterly Report, 94th Congress, 1st Session, House No. 94-210, p.4; Lippert, 137.

³¹⁰ Dobrynin, 337.

³¹¹ Lippert, 137, 105.

³¹² Burr, 324.

consequences of the Jackson-Vanik amendment, Kissinger wrote years later that by 1974 the U.S. had “consumed its unity” toward a sustained U.S.-Soviet détente, and that “a more united American would have been able to improve the outcome.”³¹³ Even after Kissinger’s exit from public office in January 1977, U.S. national security still dictated that export controls remain on strategic commodities and technologies while long-term credits to the Soviets remained restricted.³¹⁴ As Ford summarized the damaging effects of the Jackson-Vanik amendment to Western allies at an economic summit in Rambouillet, France, in mid-November 1975, the East-West trade restrictions imposed upon the Soviet Union by the Jackson-Vanik amendment “proved to be harmful to our own national interest and have not achieved the benefit for which they were intended.”³¹⁵

Ford’s comments, of course, mirrored Kissinger’s changed attitudes. Although he had ultimately underestimated the power of domestic politics on American foreign policy, by the end of his White House career Kissinger’s original embrace of Continental realism had completely withered away. Beginning in the fall of 1973 with his appointment as Secretary of State, Kissinger decisively retreated from his original embrace of Continental realism by mounting a vigorous defense of his East-West trade policies against Congressional opposition and, to a lesser extent, the American public. By this final stage of his economic diplomacy, Kissinger no longer viewed East-West trade concessions in the narrow Continental realist terms of a political tool to be used only for obtaining reciprocal Soviet political concessions, as he had during his first years as Nixon’s National Security Advisor until the Moscow summit of May 1972; nor did he believe

³¹³ Kissinger, *Years of Upheaval*, 1007, 1030.

³¹⁴ NSSM 247, “U.S. Policy Toward East-West Economic Relations,” Box 48, 43, Gerald Ford Library.

that mere advocacy of his East-West trade policies was enough to save détente. Rather, Kissinger believed that a strong defensive posture against Congressional opposition to his East-West trade policies, as well as the inclusion of Wilsonian moral values in American foreign policy, was vital to saving détente. His recognition of expanded East-West trade, domestic politics, and the American public as essential elements of American foreign policy and the preservation of détente marked the final stage of Kissinger's economic diplomacy, in which he very much treated East-West trade as a distinct high policy issue. Although his efforts to save East-West trade were ultimately unsuccessful, by elevating his economic diplomacy into the realm of high politics, Kissinger's foreign policy paradigm thus made the decisive transition away from Continental realism toward one of a naturalized realism, for he remained convinced that expanded East-West trade relations devoid of excessive moral considerations was essential to both the national interest and preservation of the geopolitical balance of power enshrined in U.S.-Soviet détente.

³¹⁵ Transcript of Economic Summit in Rambouillet, France, 15-17 November 1975, RG 59, Box 13, folder Nodis Memcons November 1975, 4, National Archives.

CHAPTER 5

ENERGY TRADE AND KISSINGER'S ECONOMIC DIPLOMACY TOWARD WESTERN EUROPE

The Price of Realism: Kissinger, Western Europe, and Ostpolitik

While grappling with Congress over East-West trade, Kissinger had to simultaneously face an energy crisis that crippled the Western economies following the outbreak of the Yom Kippur War in October 1973. Given the significance of the energy crisis of 1973-74, it is fair to argue that energy trade, and in particular the role of energy trade in Kissinger's economic diplomacy toward the Soviet Union, is worthy of exploration as a vital interest of U.S. national security during the 1970s. More importantly, the energy crisis of 1973-74 prompted Kissinger, for the first time, to focus on economic diplomacy toward the Western European allies by seeking a coordinated effort to both confront the oil-producing nations in the Middle East and forge an allied energy policy to offset future crises. In an address delivered to the Associated Press in New York on April 23, 1973, Kissinger surprised many observers throughout the world by launching what he called "The Year of Europe." In that speech, Kissinger called for a "new Atlantic charter" that would establish cooperative goals for the Western alliance in the future. He envisioned this new Atlantic charter as "a blueprint that builds on the past without becoming its prisoner, deals with the problems our success has created, and creates for the Atlantic nations a new relationship in whose progress Japan can share."³¹⁶ Despite this philanthropic rhetoric, however, in reality Kissinger's "blueprint" distinctly established the subordinate role of Western Europe in the era of U.S.-Soviet détente: "The United States has global interests and responsibilities. Our European allies have regional interests. These are not necessarily in conflict,

but in the new era neither are they automatically identical.”³¹⁷ During the energy crisis of 1973-74 and beyond, as will be seen, Kissinger’s Realist economic diplomacy toward Western allies—which above all recognized U.S. control of the balance of power in the West—was rigidly calculated by this subordination of Western European regional interests to U.S. global interests.

Although he had initially devoted little attention to Western economic relations following his appointment as Nixon’s National Security Advisor (in parallel to his initial disregard of economic diplomacy toward the Soviets), Kissinger noted that recent European economic initiatives had produced “a certain amount of friction” within the alliance. Invoking the “broad political approach” of the U.S. toward Western economic relations—including Kissinger’s East-West trade initiatives toward the Soviet Union—Kissinger conclusively asserted: “It is the responsibility of national leaders to ensure that economic negotiations serve larger political purposes. They must recognize that economic rivalry, if carried on without restraint, will in the end damage other relationships.”³¹⁸ On the whole, while Kissinger’s “Year of Europe” speech offered the rhetoric of a renewed drive toward Atlantic unity, the speech was in practical terms a warning to European leaders that any unilateral economic initiatives on their part would be considered as hostile to the interests of the U.S. As a consequence, Daniel Mockli argues, rather than strengthening Western cohesion, Kissinger’s “Year of Europe” initiative “inadvertently became a catalyst for European political unity and turned into another round in the conflict over Europe’s role in the world and with the West.”³¹⁹

³¹⁶ Kissinger’s “Year of Europe” speech, as quoted in Kissinger, *American Foreign Policy*, 167.

³¹⁷ *Ibid.*, 168.

³¹⁸ *Ibid.*, 170-71.

³¹⁹ Daniel Mockli, “Asserting Europe’s Distinct Identity: The EC Nine and Kissinger’s Year of Europe,” published in Schulz and Schwartz, *The Strained Alliance: U.S.-European Relations from Nixon to Carter.*”

Perhaps more than any other Western ally, the Federal Republic of Germany (West Germany), under the leadership of Chancellor Willy Brandt, posed a serious challenge to Kissinger's pursuit of détente with the Soviet Union and was a prominent target of his "Year of Europe" speech for pursuing unilateral economic initiatives with the Soviets. In contrast to the early post-WWII period, by the late 1960s, West Germany had reached a level of self-confidence in dealing with the Western alliance and was thus more assertive in promoting its own national interests.³²⁰ Like the U.S. under Nixon and Kissinger, West Germany under the Brandt government had sought increased cooperation with the Soviet Union since 1969. While Nixon and Kissinger had been slow to act on liberalizing East-West trade, Brandt saw opening trade with the Soviets and Eastern Europe as essential to his European vision of relaxed tensions with the East and a unified Germany, and he did not favor acquiescing to U.S. directives in light of West Germany's substantial contributions to the Western alliance in the post-war period.³²¹ Therefore, Brandt's goal of expanding West German-Soviet ties through *Ostpolitik* (reaching out to the East while retaining Western support) was "the first step in implementing his foreign policy vision of a new era of peaceful cooperation in Europe that would eventually make German unification possible."³²²

Although the Soviets perceived West German trade with Eastern Europe as "an expression of German revanchism," they were nevertheless open to the idea.³²³ Soviet-French trade had declined significantly by 1970, after nearly a decade of successful trade relations. With

³²⁰ Gottfried Niedhart, "U.S. Détente and West German Ostpolitik," published in *The Strained Alliance*, 25.

³²¹ Lippert, *The Economic Diplomacy of Ostpolitik*, 113, 117.

³²² Werner Lippert, "The Economics of Ostpolitik," published in *The Strained Alliance*, 65-66. For a deeper discussion, see also Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma*.

³²³ *Ibid.*, 67.

France no longer their largest West European trading partner, trading with West Germany became increasingly attractive to the Soviets by the time of Brandt's rise to the Chancellorship in 1969. In particular, the Soviets envisioned a natural gas pipeline deal with West Germany—which was signed on February 1, 1970—as a solution to Soviet hard-currency woes, as well as a foundation for future West German-Soviet trade.³²⁴ Self-sufficient in energy, the Soviets sought new opportunities for selling their main export by the early 1970s, as they would become the largest oil producer in the world by 1974.³²⁵ Although many West German government officials adopted a cautious attitude toward trade with the Soviets—for West Germany had little political or economic leverage to exert against the Soviets—Brandt saw cooperative energy ventures as essential for cultivating a working relationship with the Soviet Union.³²⁶

Across the Atlantic, Nixon was alarmed at Brandt's moves to open up to the Soviet Union and Eastern Europe, for he still viewed the Soviets through the prism of early Cold War paranoia and, moreover, he was likely jealous of Brandt's swift success with the Soviets. For his part, Kissinger was ambivalent toward Brandt's *Ostpolitik*, and expressed concern for the uncertain long-term effects of Brandt's foreign policy strategy toward the Soviet Union.³²⁷ Like Nixon, Kissinger may have also resented the fact that by 1970, West Germany enjoyed a much more congenial and cooperative relationship with the Soviets than did the U.S.; at that time, Kissinger and Nixon's overriding foreign policy objective was ending the Vietnam War with

³²⁴ Ibid., xi.

³²⁵ U.S. Paper for NATO Policy Planners Meeting, 3 April 1975, RG 59, Box 14, folder 6, 12, National Archives. With the exception of Romania, Eastern European countries relied on the Soviet Union for approximately 85 percent of their oil imports. During the energy crisis of 1973-74, annual Soviet oil revenues doubled to 3.5 billion dollars. However, by the mid-1980s, the Soviet advantage of vast energy reservoirs would be offset by the horrible technological efficiencies of Soviet factories. See Stephen Kotkin, 16-17.

³²⁶ Ibid Lippert, *The Strained Alliance*, 68, 69, 71; Lippert, *The Economic Diplomacy of Ostpolitik*, 104.

³²⁷ Niedhart, *The Strained Alliance*, 26-28.

Soviet cooperation—which was then mired in frustration and difficulty—rather than closely monitoring Western economic relations.³²⁸ Indeed, until the energy crisis of 1973-74, Kissinger largely disregarded economic diplomacy toward Western Europe. Ultimately, Kissinger viewed *Ostpolitik* as the latest manifestation of the “German problem” and argued that West Germany did not have the necessary power to perpetuate *Ostpolitik* with the Soviet bloc anyway.³²⁹ As he later recounted the situation in his memoirs, Kissinger argued that Brandt’s *Ostpolitik* “could in less scrupulous hands turn into a new form of classic German nationalism,” and that a reunified Germany raised “the specter of new German hegemony” in the minds of Western Europeans and Americans. In order for German reunification—which was the primary goal of Brandt’s *Ostpolitik*—to succeed, Kissinger believed that Soviet power had to collapse entirely.³³⁰ Despite any long-term fears of German aggression they may have had, however, Nixon and Kissinger adopted a pragmatic approach to *Ostpolitik* that did not aggressively oppose Brandt’s goal of normalizing relations with the East.³³¹ Moreover, it was not until the May 1972 Moscow summit that Nixon and Kissinger would succeed in mimicking Brandt’s economic initiatives toward the Soviet Union by expanding East-West trade relations.³³²

³²⁸ Ibid., 28; see also Bernd Schaffer, “The Nixon Administration and West German Ostpolitik, 1969-1973,” published in *The Strained Alliance*, 58. For a discussion on Nixon, Kissinger, and Vietnam, see chapters 1 and 2.

³²⁹ Niedhart, *The Strained Alliance*, 39-40.

³³⁰ Kissinger, *White House Years*, 409. However sincere Kissinger’s foreboding of German revanchism, it was indeed true that other Western allies, particularly Great Britain and France, were not enthusiastic supporters of German reunification.

³³¹ Garthoff, 126-7. Scholarly analysis of Nixon and Kissinger’s views of Ostpolitik remain diverse. See, for example, Bundy, 116-18; Schaffer, *The Strained Alliance*, 62; Hanhimaki, 85-90; M. E. Sarotte, *Dealing with the Devil: East Germany, Détente, and Ostpolitik, 1969-1973* (Chapel Hill: The University of North Carolina Press, 2001), 57-58, 174; and Lippert, *The Economic Diplomacy of Ostpolitik*.

³³² See chapter 2.

A Deficit of Realism? Kissinger and U.S.-Soviet Energy Trade

While Brandt envisioned energy trade with the Soviet Union as an integral component of his *Ostpolitik* and pursued it vigorously, Nixon and Kissinger were much more cautious toward expanding U.S.-Soviet energy trade. During the first three years of the first Nixon administration, as noted, Nixon and Kissinger were primarily concerned with ending the Vietnam War and gave little attention to bilateral economic ventures with the Soviets. Moreover, even after Kissinger came to fully embrace East-West trade and economic diplomacy toward the Soviet Union in late 1972, the political exigencies enmeshed in the Jackson-Vanik Congressional dispute—as well as the escalating political fallout from Watergate—restrained the Nixon administration from acting boldly in the economic realm of East-West trade, including U.S.-Soviet energy trade.³³³ Nevertheless, both Nixon and Kissinger were cognizant of Soviet enthusiasm for selling oil and natural gas exports to the U.S. During the Moscow summit in May 1972, Brezhnev actively promoted prospective Siberian natural gas ventures as “a very important project for U.S.-Soviet cooperation.”³³⁴ As natural energy resources were gradually depleting in Eastern Russia and gas exports were expected to outrun oil exports by the late 1970s, the Soviets increasingly looked toward Siberian reserves for production of gas and oil, hopeful of obtaining Western technology crucial for development of their oil and gas fields in order to sell their major energy commodities to the West.³³⁵ The potential of these reserves were well known in the U.S.,

³³³ See chapters 3 and 4.

³³⁴ Memcon between the Soviet and U.S. delegations at the Moscow summit, statement by Brezhnev to Nixon, U.S. State Department, Washington, 24 May 1972. *FRUS, 1969-1976, Volume XIV*, #265.

³³⁵ U.S. Paper for NATO Policy Planners Meeting, 3 April 1975, RG 59, Box 14, folder 6, 13, National Archives; NSSM 247, 20, Gerald Ford Library.

as well; according to an article from the *Washington Post* on November 3, 1972, the Soviet Union had enough proven natural gas reserves to supply itself and the U.S. for 30 years.³³⁶

To an extent that remains unclear, Kissinger supported expanding energy trade with the Soviet Union as a national security interest, having made the argument to Congress that expanded East-West commercial relations in general would result in a transfer of Soviet energy from the military to civilian sector.³³⁷ Although energy trade had rarely arisen for discussion in the Kissinger-Dobrynin back channel since 1969, near the end of the 1972 Moscow summit Kissinger suggested that the U.S. should “look hard at the [Siberian] natural gas project to find ways to encourage financing for a major arrangement that will benefit both countries.”³³⁸ Following the comprehensive trade agreement of October 1972, U.S. energy firms engaged Soviet officials in a prospective energy venture that would erect natural gas pipelines in the Yakutsk and Tyumen regions of Russia. This deal projected a U.S. purchase of approximately 50 billion dollars of natural gas from the Soviet Union, in what the *Washington Post* called “one of the biggest coups of its [the Nixon administration’s] rapprochement with the Soviet Union, both

³³⁶“Soviets, U.S. Near Gas Deal”, *Washington Post*, 3 November 1972, reprinted in “Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report,” November-December 1972, Records of the United States Senate, RG 46, National Archives, Washington, D.C, 20.

³³⁷ “Observations on East-West Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report,” November-December 1972, Records of the United States Senate, RG 46, National Archives, Washington, D.C, 6. No date or quotation is given in the record, although the Congressional committee on East-West trade mentions Kissinger’s argument in their report of 16 February 1973. Presumably, Kissinger’s favorable position on U.S.-Soviet energy trade was also implied in his September 1974 testimony before the Senate Foreign Relations Committee: “Over time trade and investment may leaven the autarkic tendencies of the Soviet system, invite gradual association of the Soviet economy and foster a degree of interdependence that adds an element of stability to the political equation.” See Testimony by Henry A. Kissinger to the Senate Foreign Relations Committee, September 19, 1974, as quoted in Kissinger, *American Foreign Policy*, 158-9, and chapter 4 of this thesis.

³³⁸ Memorandum from Kissinger to Nixon during the Moscow summit, U.S. State Department, Washington, 28 May 1972. *FRUS, 1969-1976, Volume XIV, Soviet Union*, #296.

economically and politically.”³³⁹ Thus, although Kissinger did not pursue U.S.-Soviet energy trade with as much enthusiasm as Brandt had in pursuing joint West German-Soviet natural gas pipeline deals or, for that matter, the Soviets themselves, he was nevertheless unopposed to cooperative energy ventures with the Soviets as a means to expanding East-West trade relations.

During the Washington summit in June 1973, Nixon and Brezhnev maintained their mutual interest in various cooperative energy ventures in the East.³⁴⁰ In an effort to demonstrate the depth of Soviet energy supplies as well as his strong desire for Soviet MFN, Brezhnev accelerated production on the Siberian natural gas pipeline and was able to dedicate it on June 17, 1973—one day before his departure for the summit.³⁴¹ In the months following the October 1972 trade agreement, the U.S. government continued to encourage production of the North Star, Yakutsk, and other similar liquid natural gas projects on the basis that Soviet gas exports could be used to repay U.S. credits while financing U.S. exports to the Soviet Union. Based on the findings of a Congressional investigation of U.S.-Soviet energy trade conducted in November-December 1972, it was also thought that such cooperative ventures would establish economic interdependence and constructive relations between the U.S., the Soviet Union, and Japan.³⁴²

³³⁹ “Soviets, U.S. Near Gas Deal,” *Washington Post*, 3 November 1972, reprinted in “Observations on East-West Economic Relations,” 20-21.

³⁴⁰ Jentleson, 141-42.

³⁴¹ Lippert, *The Economic Diplomacy of Ostpolitik*, 116.

³⁴² Paper Prepared in the State Department regarding Development of Siberian LNG Resources, undated [but likely produced in March, 1974], RG 59, Box 19, folder 2, 1, National Archives. Indeed, according to the 1973 Congressional Committee to the Soviet Union, the U.S. would realize economic benefits from the Soviets only in terms of oil and natural gas imports, predicting that U.S.-Soviet commercial relations “will level off again or be set back unless large-scale joint ventures in gas, oil and other raw materials are worked out.” Thus, the Committee reported favorably on such encouraging “first-order” joint economic ventures as the North Star project of Northern Tyumen province in West Siberia. Western technology in the forms of pipe, liquefying equipment, and container ships, as well as Western credits to finance such operations, was vital to exploiting the raw material resources in Siberia. Otherwise, the Committee concluded, Soviet Siberian natural gas “would probably largely stay in the ground for many more decades, perhaps into the next century.” Additionally, the committee suggested that importing Soviet energy products might also help to offset a potential energy crisis. See “Observations on East-West

Despite the growing enthusiasm within the U.S. for expanding energy trade with the Soviets, however, the fate of these economic ventures was inextricably tied to the fate of Soviet MFN; as long as Soviet MFN status remained uncertain in the dispute over the Jackson-Vanik amendment, the prospects for expanding U.S.-Soviet energy trade were likewise uncertain.³⁴³ It will be recalled that by the summer of 1973, during a time in which the Watergate scandal was increasingly sapping the credibility of the Nixon administration, Kissinger was then only in a position to advocate his East-West trade policies—including those regarding energy—with the Soviets in a low-key manner that eschewed direct confrontation with Congressional opposition.³⁴⁴

Therefore, the on-going Congressional imbroglio over Soviet MFN, which was further exacerbated by Soviet involvement in the Yom Kippur War, prompted Nixon and Kissinger to approach energy diplomacy toward the Soviets in a politically cautious and restrained manner. In the midst of the energy crisis in early February 1974, for example, Nixon assured a skeptical Gromyko that he did not “want to leave any impression that our two countries should not work together on energy,” although he could not promise any commitments to the Soviet foreign minister in the absence of Congressional validation.³⁴⁵ Likewise, during his visit to Moscow months later in October 1974, Kissinger assured Brezhnev in carefully measured language that the U.S. was willing to cooperate with the Soviet Union on energy enterprises “in principle,” and was “prepared to undertake joint projects” on developing alternative sources of energy and sign a

Economic Relations: U.S.S.R. and Poland: A Congressional Trip Report,” November-December 1972, Records of the United States Senate, RG 46, National Archives, Washington, D.C, 3-4, 6-7.

³⁴³ Jentleson, 141-42.

³⁴⁴ See chapter 3.

long-term energy agreement pending Congressional approval of Soviet MFN. Such projects, and especially those that would require the extension of Export-Import Bank credits to the Soviet Union, would be handled on a case-by-case basis and “strongly encourage[d].”³⁴⁶ Thus, although Congressional obstructions continued to preclude substantial U.S.-Soviet bilateral energy agreements, energy trade nevertheless remained at least a marginal part of Kissinger’s economic diplomacy toward the Soviets following the energy crisis of 1973-74.

While Kissinger’s cautious assurances to the Soviets suggest at least a tacit commitment to expanding U.S.-Soviet energy trade, however, his memoirs and (admittedly limited) diplomatic exchanges with the Chinese on the subject suggest a rather different view toward the importance of U.S.-Soviet energy trade as a national security interest. Although, as noted above, Kissinger clearly signaled his support for cooperative U.S.-Soviet energy ventures at the Moscow summit and beyond, it is perhaps easier to understand this apparent contradiction by recalling that Kissinger supported expanded East-West trade relations primarily as an economic incentive for Soviet political cooperation on high policy issues, rather than a distinct U.S. national interest in itself.³⁴⁷ Thus, it seems plausible that this broad view of East-West trade also characterized Kissinger’s view of energy trade as merely an inclusive, rather than singular, component of East-West trade. Recalling his secret trip to Moscow during April 1972 in his memoirs, Kissinger appeared more than willing to dismiss (and thereby overlook) the importance of U.S.-Soviet energy trade, writing that “Brezhnev’s solicitude about easing American

³⁴⁵ White House meeting between Nixon, Gromyko and Dobrynin, 4 February 1974, RG 59, Box 20, folder 1, 4-5, National Archives. Kissinger, Helmut Sonnenfeldt, and Walter Stoessel joined President Nixon for the discussion.

³⁴⁶ Memorandum from Kissinger to Ford suggesting talking points for the President in discussions with Brezhnev, 27 March 1974, RG 59, Box 20, folder 2, 22-23, National Archives.

³⁴⁷ See chapters 1 and 2.

economic difficulties [including Brezhnev's frequent warning of impending U.S. natural gas shortages] was as heartwarming as it was preposterous."³⁴⁸ In a revealing diplomatic exchange, Kissinger also commented on U.S.-Soviet energy trade during a meeting with Mao Tse Tung, the Chairman of the Chinese Communist Party, in the midst of the energy crisis during November 1973. In response to Mao's suggestion that the U.S. could benefit from importing Soviet natural gas, Kissinger expressed disagreement and skepticism in his reply:

Mr. Chairman, that is not entirely accurate. Even if [the Soviets] were able to produce the natural gas they have claimed, and there is still some dispute about that, it would only amount to about five percent of our needs. And it would take ten years to deliver. And within that ten-year period, we will have developed domestic alternatives, including natural gas in America. That makes it much less necessary, in fact probably unnecessary, to import [Soviet] natural gas in quantities.³⁴⁹

Although Kissinger may have intentionally downplayed the U.S. interest in expanding bilateral energy cooperation with the Soviets in his diplomacy with Mao (for China remained the primary Communist rival of the Soviets at the time), and however sincere his retrospection, these passages—though far from conclusive—would seem to suggest that Kissinger largely ignored the national security implications inherent in U.S.-Soviet energy trade during his first term in the Nixon White House and years later.

Moreover, beginning in 1974, progress on both the North Star and Yakutsk natural gas projects began to stagnate for reasons separate from the uncertain status of Soviet MFN. Soviet proposals for higher natural gas prices, disagreement between U.S. and Soviet authorities over tanker ownership, construction of ancillary facilities, and pipeline routes combined to stall the

³⁴⁸ Kissinger, *White House Years*, 1151-52.

North Star project altogether. With respect to the Yakutsk project, in which significant U.S. credit financing was crucial, the on-going Congressional dispute over Export-Import Bank loan applications to the Soviets inhibited progress.³⁵⁰ Although the Soviets remained interested in Western involvement in developing Siberian off-shore oil and gas deposits following the restriction of Soviet MFN in the Trade Reform Act, Soviet investment in Western machinery imports would remain under ten percent by the late 1970s.³⁵¹ Thus, during Kissinger's vigorous defense of expanded East-West trade relations with the Soviets from late 1973 onward, the uncertainty over Soviet MFN status; Soviet involvement in the Yom Kippur War; a growing fear of U.S. dependence on Soviet natural resources and supplies; and technical and financial disputes involved in the Yakutsk and North Star projects ultimately diminished American enthusiasm for expanded U.S. energy trade with the Soviet Union.³⁵²

Consistent with the trajectory of his gradual embrace of East-West trade toward the Soviet Union in general, it appears as though Kissinger's recognition of U.S.-Soviet energy trade as a vital national security interest occurred too late to produce any significant progress in this field during his service under Nixon and Ford. Unlike the early prominence of energy trade within Brandt's West German *Ostpolitik*, the issue of energy trade was conspicuously absent in Kissinger's economic diplomacy toward the Soviets during his first three years under Nixon.

³⁴⁹ Memcon between Kissinger, Mao, and other Chinese officials, 12 November 1973, RG 59, Box 2, folder 1, 19, National Archives.

³⁵⁰ Paper Prepared in the State Department regarding Development of Siberian LNG Resources, undated [but likely produced in March, 1974], RG 59, Box 19, folder 2, 17, National Archives.

³⁵¹ NSSM 247, 20-21, Gerald Ford Library.

³⁵² *Ibid.*, 40. Even after the passage of the Trade Reform Act, the U.S. government did not, at least in the short term, appear to regret foregoing opportunities for expanding energy trade toward the Soviet Union. According to this same National Security Study Memorandum, produced in 1976, Soviet deprivation of energy exports to the West "would hardly be crippling and would invite retaliation that could be far more damaging to the USSR." Such a

While he had finally demonstrated at least a tacit commitment to U.S.-Soviet energy trade during and after the 1972 Moscow summit, Kissinger then failed to undertake a major initiative to promote it to either Congress or the American public, even while he was in the powerful position of Secretary of State.³⁵³ Moreover, in addition to his contradictory dialogue with the Chinese on the issue, Kissinger did not appear to offer much by way of retrospection or public statements regarding U.S.-Soviet energy through 1976. Nevertheless, with respect to Kissinger's commitment to energy trade, absence of evidence must not be misconstrued as evidence of absence; with a diplomat as well-documented as Kissinger, and with the steady declassification of documents, it is likely that future scholarship will be able to shed new light on this particular aspect of Kissinger's economic diplomacy.

If the extent to which U.S.-Soviet energy trade factored into Kissinger's economic diplomacy toward the Soviet Union remains as yet unclear, the nature of his economic diplomacy toward Western European allies following the 1973-74 energy crisis is far more evident. In parallel to his gradual embrace of economic diplomacy toward the Soviet Union, Kissinger did not at first express significant concern for economic relations with Western European allies; indeed, as noted above, the launching of Kissinger's "Year of Europe" initiative in April 1973 may perhaps be considered as marking his first significant recognition of Western economic relations during his foreign policy career. With the energy crisis in the fall of 1973, however, Kissinger was finally forced to test the sincerity of his rhetoric. Yet while Kissinger's

Soviet act, the NSC predicted, "might give rise to collective Western counteraction that could frustrate or impede Soviet efforts to modernize the USSR economy through expanded imports from the West." *Ibid.*, 153.

³⁵³ This may, of course, reflect Kissinger's political acuity in avoiding direct confrontation with a Congress hostile to détente, at least during the phase of Nixon's drama in the Watergate scandal leading up to Kissinger's appointment as Secretary of State in September 1973. See chapter 3.

diplomacy recognized the Soviet Union as the sole U.S. partner in a militarily bipolar world, his vision of U.S.-Western European relations allowed for no such parity. Rather, Kissinger's realist vision of the Western balance of power, which recognized the primacy of U.S. interests, would inform his late economic diplomacy toward Western Europe.

Crisis, Western Unity, and Reaching Out to the American Public

The Nixon administration was completely broadsided by the energy crisis of 1973-74, which crippled the American and Western economies and forced Kissinger to engage in serious economic diplomacy toward West European allies.³⁵⁴ Additionally, more than any other time in his career, Kissinger would come to recognize the important relationship between domestic constituencies and American foreign policy in the wake of an energy crisis that affected all levels of American society. This was a crisis that, Kissinger later wrote, portended the dangerous consequence of rendering American society vulnerable to “demagoguery, political polarization, and violence.”³⁵⁵ As he had done in his gradual embrace of East-West trade and economic diplomacy as a means of preserving U.S.-Soviet détente, Kissinger realized that an effective response to the energy crisis at home would require him to transcend the doctrinaire limits of Continental realism by reassuring the American public of their energy security, as well as their future role in the world economy.

³⁵⁴ In his memoirs, Kissinger claims that “energy was considered a domestic, not a foreign, issue,” for the U.S. government was “reluctant to interfere with the operation of [an energy] market that seemed both efficient and consonant with [U.S.] long-term interests.” See Kissinger, *Years of Upheaval*, 856, 858. As Bundy has pointed out, however, the dangers of an energy crisis had earlier been astutely predicted by the U.S. State Department, an executive department that Kissinger had long undermined or ignored. In a paper prepared by the State Department in late 1972, the study warned that energy policy was a “potentially divisive issue between the U.S. and the E[uropean] C[ommunity],” and suggested that “it is in [the U.S.] interest to avoid a competitive scramble for limited oil resources and to reach a broad understanding with the Western Europeans on a cooperative approach to the long-term energy problem and on arrangements to share supplies in the event of an emergency.” See Bundy, 453, and

Both at the time and years later, Kissinger did not believe that the U.S. “alone could solve the [energy] problem” born from the OPEC oil embargo in October 1973.³⁵⁶ With a clear emphasis on rectifying the energy crisis with Middle Eastern oil, rather than Soviet natural gas, Kissinger believed that cooperation with other oil consumer and producer countries was “essential,” and an “inescapable necessity.”³⁵⁷ For Kissinger, therefore, a solution to the energy crisis required economic diplomacy toward the Western European allies, rather than the Soviet Union. Cooperation was therefore essential to his economic diplomacy toward Western Europe, for Western “disarray would mock our common ideals, weaken our collective interests, erode our peoples’ loyalty to our alliances, and could tempt our adversaries into irresponsibility.”³⁵⁸ “As economic difficulty ate away at the morale, optimism, and social peace of the industrialized nations,” he later asserted, “an emphatic demonstration of an effective collective response seemed to me of profound political and moral importance.”³⁵⁹ Beneath such rhetoric of Western unity, however, Kissinger’s realist economic diplomacy did not consider the distinct security interests of Western European allies themselves apart from U.S. security interests, as demonstrated by his “Year of Europe” speech in April 1973. Rather, as he later indicated, Kissinger’s conceptualization of Western “unity”—inclusive of the realm of economic

Paper Prepared by the Department of State regarding U.S.-European relations, U.S. State Department, undated. *FRUS, 1969-1976, Volume III, Foreign Economic Policy*, #108.

³⁵⁵ Kissinger, *Years of Upheaval*, 886.

³⁵⁶ *Ibid.*, 870.

³⁵⁷ *Ibid.*, 870, 891; Kissinger Speech, University of Chicago, 14 November 1974, Box 189, folder 3, 2, Gerald R. Ford Library..

³⁵⁸ *Ibid.*, 6.

³⁵⁹ Kissinger, *Years of Upheaval*, 934.

relations—demanded that Western allies “subordinate their differences” to the hegemonic interests of the U.S.³⁶⁰

Yet cooperation among the Western allies proved painfully difficult throughout the energy crisis.³⁶¹ The Yom Kippur War had resulted in widespread European criticism of U.S. unilateralism, for such high-risk diplomacy on Kissinger’s part—not the least of which had been raising the alert of U.S. military forces to DEFCON III on October 24 in response to Soviet threats—very well could have dragged Europe into a major war against the Soviet Union. In essence, Europe’s reaction to the war and subsequent oil embargo served to emphasize the different interests of the U.S. and its Western allies vis-à-vis the Soviet Union, a reality that Kissinger “recognized but did not validate.”³⁶² Having initially disregarded Western economic relations as he had done with U.S.-Soviet economic relations, Kissinger apparently could not understand why some Western European allies would not follow the lead of U.S. economic initiatives on regulating oil imports, asking a staff member why “these idiots [Western European allies]” did not “jump at the chance of cooperative action with us?”³⁶³ Kissinger then articulated his strategy for economic diplomacy toward Western Europe, which emphasized U.S. control over multilateral cooperation on energy security rather than bilateral initiatives toward the Arab oil producers:

The Europeans have to understand that we believe it to be in the common interest to have a multilateral solution which is of no special benefit to any one group or region, because we believe that beggaring your neighbor is going to hurt us all. So that we are prepared to work with them on a truly cooperative scheme, even though we will probably put more

³⁶⁰ Ibid., 708.

³⁶¹ Diane Kunz, *Butter and Guns: America’s Cold War Economic Diplomacy* (New York: The Free Press, 1997), 239.

³⁶² Lippert, *The Economic Diplomacy of Ostpolitik*, 124-25.

³⁶³ Secretary’s Staff Meeting, 8 January 1974, RG 59, Box 3, folder 1, 7, National Archives.

into it than they for the sake of world stability. But they must also understand that under no circumstances will we give them a free field for bilateral deals. And if they will not work multilaterally, we will force them by going bilateral ourselves. If we go bilateral, we can pre-empt them, I think, in most areas. We will under no circumstances turn over the field to them bilaterally.³⁶⁴

In true realist fashion—with a view toward enforcing U.S. supremacy among the Western allies—Kissinger went on to emphasize that the U.S. had “a great opportunity in this crisis to assume leadership in multilateral solutions and in restructuring the world economic system; but...we can get that only if countries know that irresponsibility or bilateralism is not free.”³⁶⁵ In rigidly constraining Western allies from engaging in bilateral negotiations with the Arab oil producers, Kissinger’s economic diplomacy did not validate the fact that Western Europe was much more reliant on Middle Eastern oil than the U.S; in 1975, while the U.S. imports of Middle Eastern oil stood at 40 percent, Western Europe imported approximately 97 percent of their oil from the Middle East.³⁶⁶

Asserting his version of U.S. economic “leadership” in the energy crisis, Kissinger proposed a broad Washington Energy Conference in January 1974 to include all major consumer nations—i.e., the U.S. and Western European nations.³⁶⁷ Taking place on February 11-12, 1974, the “central purpose” of the conference, Kissinger stated, was “to move urgently to resolve the

³⁶⁴ Ibid., 11.

³⁶⁵ Ibid., 25; Del Pero, 61-63.

³⁶⁶ NATO APAG Meeting: U.S. Discussion Paper on Trade and Natural Resources in the East-West Context, 14-17 April 1975, RG 59, Box 14, folder 6, 12, National Archives.

³⁶⁷ When asked by a reporter how the Washington Energy Conference, which excluded the Soviet Union and Eastern Europe, would affect U.S.-Soviet détente, Kissinger responded: “With respect to the East European countries, it is our understanding that the Socialist countries of Eastern Europe are substantially self-sufficient as of this moment through their cooperative arrangements. We see no reason why this should produce in any sense the cold war, or a resumption of the cold war, because there is no stretch of the imagination by which this could be construed as directed against the Soviet Union or against any other group of nations. It is an attempt to produce a common solution.” See “Joint News Conference of Kissinger and Federal Energy Administrator Simon,” U.S. Department of State Bulletin, 4 February 1974, vol. 70, 114. Nixon’s statement to Gromyko on the same day, 4 February 1974, was in part a reassurance to the Soviets on this point. See above, p. 9.

energy problem on the basis of cooperation among *all* nations.”³⁶⁸ He then publicly reiterated his conviction that without Western cohesion, “unrestrained bilateralism is certain to produce disastrous political and economic consequences.” The “major goal” of all nations to offset future energy crises, Kissinger proclaimed, was “the assurance of abundant energy at reasonable costs to meet the entire world’s requirements for economic growth and human needs.”³⁶⁹ Thus, the Washington Energy Conference focused primarily on establishing conservation and cooperative measures, as well as the organization of an international energy agency. Although Kissinger’s initiative ultimately failed to substantially affect the energy policies of the participants, the conference did help (at least in part) the strained Western alliance to recover from the shocks of the Yom Kippur War.³⁷⁰ Additionally, the participation of Western European allies in the February Washington Energy Conference helped to influence OPEC countries to lift price controls and raise production quotas by “creating at least an impression of Western (and oil consumer) solidarity.” Although “different priorities and a lack of consensus on *détente*” would continue to plague the Western alliance into the late 1970s, the lifting of the OPEC oil embargo in March 1974 at least eliminated a key source of intra-alliance dissent.³⁷¹ In the end, though, rather than establishing a new “blueprint” for Western cooperation, Kissinger’s late economic diplomacy toward Western Europe following the energy crisis of 1973-74 inflicted an enduring strain upon the cohesion of the Western alliance.

³⁶⁸ Statement by Secretary of State Kissinger at the Washington Energy Conference, 4 February 1974, *U.S. Department of State Bulletin*, vol. 70, 201.

³⁶⁹ *Ibid.*, 203.

³⁷⁰ Bundy, 458-59.

³⁷¹ Schwartz and Shultz, *The Strained Alliance*, 360; Hanhimaki, 350.

While taking the lead on Western energy security initiatives following the energy crisis of 1973-74, Kissinger further illustrated his departure from Continental realism by embarking upon a crusade to educate the American public on their vital economic role in the future, as well as the merits of a U.S.-Soviet détente, during his final years in office. With an emphasis on the energy crisis, Kissinger implored the American public to unite in confronting the challenges of a new world order in which the U.S. occupied a central role, and one in which “the United States must regain control of its own economic future.”³⁷² “The actions which the United States takes now,” Kissinger proclaimed in an address before the National Press Club on February 3, 1975, “are central to any hope for a global solution” to the energy crisis.³⁷³ Reiterating his realist aversion to an excessively moralistic, Wilsonian foreign policy, Kissinger continued:

The United States bears world responsibility not simply from a sense of altruism or abstract devotion to the common good—although those are attributes hardly deserving of apology. We bear it, as well, because we recognize that America’s jobs and prosperity—and our hopes for a better future—decisively depend upon a national effort to fashion a unified effort with our partners abroad. Together we can retain control over our affairs and build a new international structure with the producers. Apart we are hostages to fate.³⁷⁴

Kissinger stressed the domestic consequences of the energy crisis to the American public, arguing that “[e]conomic distress fuels social and political turmoil...[and] erodes the confidence of the people in democratic government and the confidence of nations in international harmony.”³⁷⁵ What was needed, therefore, was decisive and vigorous action on the part of the statesman and other government officials in which Americans placed their faith and trust. If the

³⁷² Kissinger’s statement expressing the goals of U.S. energy policy, 19 September 1975, *U.S. Department of State Bulletin*, vol. 73, 577.

³⁷³ Kissinger’s Address before the National Press Club, 3 February 1975, Box 189, folder 3, 3, Gerald R. Ford Library.

³⁷⁴ *Ibid.*, 13.

³⁷⁵ *Ibid.*, 2.

government failed to alleviate the energy crisis, Kissinger assured the American public, “the American people will be entitled to ask why their leaders failed to take the measures they could have when they should have.”³⁷⁶

In another speech before the Kansas City International Relations Council in Missouri on May 13, 1975, Kissinger emphasized the special importance of the American economy as “the great engine of world prosperity.”³⁷⁷ Therefore, any failure of the U.S. to take a leadership role in the world economy, Kissinger warned, would result in “the shattering of the hopes of all mankind for a better future.”³⁷⁸ Illustrating his now-complete embrace of economic diplomacy, Kissinger admitted to his audience that economic issues had become “one of the central concerns” of his foreign policy,³⁷⁹ and concluded with a ringing call for the contributions and perseverance of the American people—in the spirit of U.S.-Soviet détente—that were required for perpetuating a new and prosperous economic world order long into the future:

The American people have always believed in a world of cooperation rather than force, of negotiation rather than confrontation, and of fulfillment of the aspirations of people for progress and justice. Such a world will never come about without our active contribution. The opportunities open to us are immense, if we have the courage and faith to seize them... We have a stake in the world’s success. It will be our own success. If we respond to the challenge with the vision and determination that the world has come to expect from America, our children will look back upon this period as the beginning of America’s greatest triumphs.³⁸⁰

In the midst of domestic upheaval born from a devastating energy crisis, Kissinger’s publicly articulated realist foreign policy called for strident American participation in facilitating a

³⁷⁶ Ibid., 6.

³⁷⁷ Address before the Kansas City International Relations Council, Missouri, 13 May 1975, Box 189, folder 2, 2, Gerald R. Ford Library.

³⁷⁸ Ibid.

³⁷⁹ Ibid., 11.

³⁸⁰ Ibid., 12.

cooperative world order on the basis of “negotiation rather than confrontation”—a fundamental principle of détente in which he had long sought to secure world stability as a statesman.

Moreover, in publicly asserting the central economic role of the U.S. on the precipice of a new era in U.S.-Soviet and Western relations, Kissinger had thus reemphasized his departure from a narrow Continental realist perception of the relationship between the statesman and domestic constituencies in American foreign policy.

CONCLUSION

Scholars have often depicted Henry Kissinger as a faithful disciple of Continental realism, and therefore a rarity among American Cold War statesmen.³⁸¹ Although this portrayal fails to escape oversimplification, it does have some merit. Before embarking upon his foreign policy career as Nixon's National Security Advisor in 1969, Kissinger's academic discourse on American foreign policy arguably reflected an intellectual orientation favoring Continental realism. Moreover, the collusion of Nixon and Kissinger in centralizing foreign policy decision-making in the White House and circumventing the traditional foreign policy roles of the State and Defense Departments provided an atmosphere conducive to a Continental realist ideologue that preferred to divorce himself and his foreign policy from bureaucratic inertia. This line of reasoning follows that in his diplomacy with the Soviet Union, Kissinger's actions were always calculated by what he believed to be the geopolitical balance of power in a world dominated by U.S.-Soviet military bipolarism. Thus, according to the interpretation of Kissinger the Continental realist, he placed a primacy on high policy issues—foremost of which was ending the Vietnam War—while giving short shrift to foreign policy issues that he considered to be peripheral, such as economic issues.

As I have argued in this thesis, Kissinger gradually incorporated economic issues as part of his “diplomatic arsenal.” In essence, then, the context of East-West trade facilitated his transition away from Continental realism toward a naturalized realism inclusive of more traditional American foreign policy elements. These elements include economic issues, domestic politics, and the relationship between the statesman and the American public.

This transition was a gradual process. When he first entered the Nixon White House, Kissinger did not view East-West trade and economic diplomacy as essential elements of his foreign policy strategy toward the Soviet Union. By the end of 1971, however, Kissinger was clearly willing to utilize East-West trade only as a political incentive for the Soviets to cooperate with the U.S. on reaching a peace settlement in Vietnam. Embracing East-West trade as a component of his “linkage” strategy against the Soviet Union rather than a distinct high policy issue, Kissinger adapted his foreign policy to incorporate trade as an instrument for protecting the U.S. national interest and restraining external Soviet behavior, thereby reaffirming his subscription to Continental realism. Thus, in this first phase of his economic diplomacy, Kissinger considered East-West trade concessions in the restrictive sense of an inducement for Soviet political cooperation on the primary U.S. high policy issue of ending the Vietnam War.

Having made little progress in U.S.-Soviet relations, both Nixon and Kissinger had realized by January 1972 that political progress with the Soviet Union had to expand beyond the stalemated Vietnam peace negotiations in order for Nixon to win re-election in November. Although Kissinger still did not recognize East-West trade as a distinct high policy, beginning in January 1972 the role of East-West trade within his Continental realist paradigm broadened as a means of forging political agreements on U.S.-Soviet high policy issues beyond Vietnam—particularly a SALT I Treaty—at the Moscow summit in May. After the Soviets made a final gesture of cooperation on ending the Vietnam War in June 1972, many of the trade agreements that had been made in principle between the U.S. and Soviet Union at the summit were acted upon by both sides with the signing of a comprehensive trade agreement in October 1972.

³⁸¹ See especially Mead, *Special Providence*, as cited above in the Introduction to this thesis.

Although Nixon and Kissinger enjoyed tremendous political and public success following their achievements at the Moscow summit, the honeymoon period of détente proved to be short-lived, as Congress gradually came to oppose East-West trade following both the Soviet wholesale buyout of the U.S. grain surplus and the Soviet exit tax on Jewish emigrants during the fall of 1972. Having given trade concessions to the Soviets as a quid-pro-quo for Soviet political concessions at the Moscow summit, Kissinger found himself in a position to advocate his economic diplomacy in its own right against a Congress increasingly hostile toward East-West trade and U.S.-Soviet détente. Careful to avoid aggression toward domestic political opposition in the context of the Watergate scandal, Kissinger's advocacy of his economic diplomacy to Congress nevertheless marked a significant departure from his original embrace of Continental realism. In his opposition to the moral indictment of internal Soviet policies embodied in the Jackson-Vanik amendment; recognition of domestic politics, economic diplomacy and East-West trade as essential elements of foreign policy; and with an eye toward preserving the geopolitical balance of power in a U.S.-Soviet détente, Kissinger's outlook on foreign policy in this stage remained very much that of a naturalized realist.

Beginning in the fall of 1973 with his appointment as Secretary of State, Kissinger decisively retreated from his original embrace of Continental realism by mounting a vigorous defense of his East-West trade policies against Congressional opposition and, to a lesser extent, an American public increasingly disillusioned with détente. By this final stage of his economic diplomacy toward the Soviet Union, Kissinger acted on his belief that a strong defensive posture against Congressional opposition to his East-West trade policies, as well as the inclusion of excessive moral considerations in American foreign policy, was vital to saving détente. In

elevating his economic diplomacy into the realm of high politics, Kissinger's foreign policy paradigm thus made the decisive transition away from Continental realism toward one of a naturalized realism, for he remained convinced that expanded East-West trade relations devoid of excessive moral considerations was essential to both the national interest and preservation of the geopolitical balance of power enshrined in U.S.-Soviet détente.

Although Kissinger had gradually embraced East-West trade and economic diplomacy toward the Soviet Union, the permanence of his commitment to U.S.-Soviet energy trade during his foreign policy career in particular is decidedly unclear, as Kissinger's late recognition of U.S.-Soviet energy trade as a national security interest precluded any substantive progress in this field during his service under Nixon and Ford. Of perhaps greater significance with regards to energy trade, however, was the parallel development of Kissinger's economic diplomacy toward the Soviet Union and his economic diplomacy toward Western European allies. Having initially disregarded Western economic relations, Kissinger's later economic diplomacy toward Western European allies prompted him to seize American control over Western energy security initiatives following the energy crisis of 1973-74, which inflicted an enduring strain upon the cohesion of the Western alliance.

"The acid test of a policy," Kissinger once wrote as a professor at Harvard, "is its ability to obtain domestic support."³⁸² Although scholars often note the irony in his earlier statement, few have appreciated Kissinger's grasp of the essential relationship between domestic politics

³⁸² Henry Kissinger, *A World Restored: Metternich, Castlereagh and the Problems of Peace, 1812-1822* (Boston: Houghton Mifflin, 1957), 326.

and economic diplomacy late in his foreign policy career.³⁸³ Conversely, those critical of Kissinger's realism who see him as more attuned to domestic political currents than is commonly acknowledged tend to downplay or overlook entirely his embrace of economic diplomacy.³⁸⁴ This thesis, however, points toward a balance between these two strands of Kissingerian scholarship. As an architect of foreign policy who served as National Security Advisor and Secretary of State under Presidents Nixon and Ford, Kissinger's gradual embrace of economic diplomacy and East-West trade—in which he eventually recognized the indispensable roles of domestic politics and public opinion—failed to gain the domestic consensus essential for maintaining his vision of a stable international order enshrined in a U.S.-Soviet détente. By distancing himself from American domestic politics and public opinion during much of Nixon's first term in office, in combination with his myopic vision of the geopolitical balance of power and realist aversion to moral indictments against the internal behavior of the Soviet Union, Kissinger was ultimately unable to deflect a domestic consensus that called for a reversion to Wilsonian foreign policy ideals during the late 1970s.

Although Kissinger gradually embraced economic diplomacy and decisively transitioned away from Continental realism, it is difficult to determine where the aged former statesman stood in later years (even today) on the importance of trade and economic diplomacy. This is especially true of his later position on energy trade following the 1979 energy crisis under the Carter administration. Given the eventual prominence of economic diplomacy in his foreign policy, it is perhaps surprising that Kissinger did not place a greater emphasis on the issue in his voluminous memoirs, nor did he offer much by way of public statements following his exit from

³⁸³ See Dobson, *Economic Statecraft for Survival*, 211.

public service. Nevertheless, this thesis has set out to highlight the often-overlooked importance of East-West trade and economic diplomacy during his years under Nixon and Ford, as well as to show that the over-simplified depiction of Kissinger's enduring embrace of Continental realism is unsupported by his far greater embrace of East-West trade and economic diplomacy. To put it more bluntly, Kissinger's tenure as an American statesman "naturalized" him ideologically away from a Continental realist paradigm. Additionally, and no less importantly, this thesis serves as a reminder that the innumerable complexities of Kissinger's diplomacy, as well as the economic dimensions of détente, have yet to be adequately explored in Cold War scholarship.

³⁸⁴ See Del Pero, *The Eccentric Realist*, 59.

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