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## Profile

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# Worrisome truths about Mr. Verity

by Kathleen Klenetsky

President Reagan's decision to name C. William Verity as Commerce Secretary has set off alarm bells among patriotic circles in the United States and Western Europe, who fear that the appointment of a man who operates as an adjunct of Soviet agent Armand Hammer in the U.S.-Soviet conglomeration known as The Trust, is one more sign that Washington is bent on consummating a "Munich II" deal with Moscow. A self-styled "free enterprise capitalist" and stalwart Republican, Verity nevertheless relies heavily for foreign policy advice on his former Yale classmate, Cyrus Vance, the Tri-lateral Commission member who steered the Carter administration's foreign debacles.

Verity's appointment, it is feared, will mean a shift in American policy on East-West trade, to eliminate many of the current restrictions on the export of high-technology products to the East. This would be a big concession to Mikhail Gorbachov, who has exploited the carrot of "joint ventures" with Western businesses as a means of ensuring a supply of Western technology to the Soviet war machine.

Anxiety about Verity is justified. The 70-year-old former chairman of Armco Steel is one of the biggest boosters of expanding sales of U.S. goods to the East Bloc. He has come under sharp criticism for his pollyanna-ish arguments that expanding East-West commercial relations will increase Soviet dependence on the United States, rather than vice versa, and improve the human rights situation in the East bloc.

Verity has been promoting this line since at least the early 1970s, when he became one of the first directors of the U.S.-U.S.S.R. Trade and Economic Council, a private organization set up under a 1973 U.S.-Soviet protocol signed by then-Treasury Secretary George Shultz. The group's members include such Trust operatives as Armand Hammer and Hammer's designated heir, Archer-Daniels-Midland chairman Dwayne Andreas, as well as top Soviet officials. Verity was co-chairman of the council from 1978 to 1984.

In December 1985, two months after the Reagan-Gorbachov summit, the council led a delegation of 400 American businessmen to Moscow, to discuss expanded trade links with Gorbachov and Soviet officials. The delegation, which included Edgar Bronfman, Hammer, and Andreas, included the late Commerce Secretary Malcolm Baldrige. The coun-

cil's president, James Giffen, gave a press conference in Moscow to call for the United States to grant most-favored-nation status to the Soviet Union, and to repeal the Jackson-Vanik Amendment, which links trade and emigration.

Judging by his record, Verity can be expected to press these same positions as Commerce Secretary. He has bitterly opposed restrictions on U.S.-Soviet commerce, claiming that they cost American businesses \$10 billion a year in lost sales, and arguing that since someone will sell to the Soviets, it might as well be the United States.

Verity has publicly insisted that a successful U.S. export program depended upon "freeing the Yankee Trader," and to do this mean, that "we must separate trade from politics." He has criticized the United States for being alone among major nations to "regularly subordinate trade to both domestic and foreign policy goals."

Export restrictions, such as the Jackson-Vanik Amendment, he has claimed, were "anti-human rights," because they interfered with Soviet opportunities to raise the living standards of their people. "Once they have economic security, they will gain more interest in human rights," said Verity, adding that the best way to achieve peace is to increase trade. "Getting Russians to buy our goods makes them dependent on us as a supplier of spare parts, new machines, and the next generation of technology. The more dependent the Russians are on us, the less likely war between us becomes."

Verity not only recommended that export licensing restrictions be limited to military technology, but also called on the government to expedite the process of approving licenses for exports to the Soviet bloc.

In addition to the U.S.-U.S.S.R. Trade and Economic Council, Verity belongs to the American Committee on U.S.-Soviet Relations, among the most influential private groups on U.S.-Soviet policy. Its membership roster reads like a "Who's Who" of the Trust: Dwayne Andreas, Armand Hammer, John Kenneth Galbraith, George Kennan, McGeorge Bundy, and the leading anti-SDI scientists, including Carl Sagan, Richard Garwin, and Herbert York. The committee has just happened to schedule a conference in Washington this October, to discuss the prospects for joint ventures in the light of Gorbachov's "reforms."

There is already an influential group within the administration which holds Verity's views on East-West trade. Baldrige was among them, as is USIA head Charles Wick—whose wife, Mary Jane, works closely with Verity on the Ford's Theater board of directors in Washington. Other members of this camp include George Shultz and his deputy secretary, John Whitehead, who has publicly floated the idea of extending most-favored-nation status to the Soviet Union, and inviting the Soviets to join the IMF and World Bank.

They have been held in check so far, partly due to the efforts of Defense Secretary Caspar Weinberger. But Verity's appointment, coming as it does on the eve of a possible Reagan-Gorbachov summit and INF agreement, threatens to dangerously strengthen their hand.