

1977

Détente and Dollars: Doing Business with the Soviets

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Recommended Citation

Walgreen, John A. (1977) "Détente and Dollars: Doing Business with the Soviets," *Naval War College Review*: Vol. 30 : No. 1 , Article 16.

Available at: <https://digital-commons.usnwc.edu/nwc-review/vol30/iss1/16>

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down of the U.S. security guarantee to Japan and the role of Japanese public opinion on the nuclear question.

Strains in the U.S. alliance have been obvious since 1969. Most are economic, some psychological, none, thus far, strategic. Chinese development of an ICBM force capable of threatening U.S. cities would introduce the most obvious strategic strain—an Asian version of the Gaullist argument that the United States would not risk Washington for the sake of Paris. Colonel Endicott believes that one factor in Chinese delay in construction of an ICBM system is fear that it would trigger a Japanese decision to go nuclear. The existence of a Soviet ICBM capability against the United States (while not politically comparable to a Chinese one, perhaps) has not affected Japanese thinking about the alliance, although Japan's relations with the U.S.S.R. are not good and are not promising of early improvement. While Japan is acutely aware of the strains in the alliance (few of her making) she is trying to reduce these and has shown no inclination to seek alternatives. By 1985 China might be an alternative, particularly in an Asian regional system, but neither Japanese political nor economic systems, as now constituted, could be easily fitted to such an arrangement. More likely is continued Japanese caution, relying on the U.S. alliance while awaiting a political breakthrough (Sino-Soviet war, reconciliation of internal breakdowns) or a technological breakthrough (the laser ABM defense system, for example) which would obviate a nuclear decision.

The Japanese system of consensus building is so painstakingly slow that one wonders if Colonel Endicott does not underestimate the inertia of public opinion. For a successful 1985 decision to go nuclear, the government would have had to start to prepare public opinion yesterday. The author thinks he sees a gradual shift toward a less

uncompromisingly negative attitude toward nuclear weapons brought about by fears of the Chinese. Yet, even at the peak of the Cultural Revolution when events in China dominated the front pages of Japanese newspapers one in three Japanese did not know China had a Communist government, but 80 percent knew China had exploded nuclear weapons. Like the hedgehog, the Japanese in nuclear matters may know only one thing, but they know it well.

That Japan has a nuclear option Colonel Endicott has clearly demonstrated and his own scenarios are technically and logically consistent with his assumptions. It does not denigrate this achievement to say that reality is probably something else.

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Goldman, Marshall I. *Détente and Dollars: Doing Business with the Soviets*. New York: Basic Books, 1975. 337pp.

Some of the major stories in the business press in recent years have been about spectacular trade agreements between the United States and the Soviet Union. From generally less than \$100 million a year prior to 1971, U.S. exports to the Soviet Union jumped to over \$1 billion in 1973. The easing of political tensions, détente, has been intimately connected with the burgeoning commercial relationships. Marshall Goldman in *Détente and Dollars* provides a lucid account of these developments. His analysis should be studied by national security policymakers as well as by corporate executives.

Goldman is an expert on the Soviet economy, serving as an Associate of Harvard University's Russian Research Center as well as Professor of Economics at Wellesley College. He has published several books and numerous articles on the Russian economy. In this

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book he has drawn on the scholarly literature, his personal knowledge, and interviews with U.S. businessmen to produce a very readable volume.

An understanding of past U.S.-Soviet economic dealings provides a perspective on present trade. Generally the Soviet Union turns to non-Communist societies when it has economic problems which it cannot solve within its own system. Once the immediate problem has passed, the Soviet Union's purchases abroad can be cut back very suddenly. If the political climate chills, as it has between China and Russia, trade can virtually disappear.

What will the Russians buy? What do they have to sell? The answer to the first question is U.S. agricultural products and technology. The response to the second question is raw materials, including oil and natural gas.

Détente and Dollars contains some fascinating and instructive cases on doing business with the Soviets. Because they operate a state-controlled economy with very large purchases going through a single buyer, the Ministry of Foreign Trade, the Soviets may be able to get U.S. goods at less than competitive prices by playing one U.S. firm off against another. Goldman provides some suggestions as to how the U.S. should structure its dealings with Soviet buyers to reduce this risk.

Trade with the Soviet Union offers opportunities to the U.S. economy and may also contribute to better political relationships. But it also faces the United States with some political risks and economic costs as U.S. food buyers discovered too well following the 1972 grain deal. In addition to suggesting how the United States might minimize some of these costs and risks, Goldman makes a good case for using expanded trade to obtain some political concessions on

the part of the Soviet Union. Economic deals with the Soviets involve more than simple commercial transactions.

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Greenwood, Ted. *Making the MIRV: A Study of Defense Decision-Making*. Cambridge: Ballinger, 1975. 237pp.

The increasingly complex, often frustrating, relationship between bureaucracy and national security is no better illustrated than in this thorough, readable, reworded Ph.D. thesis of MIT Professor Ted Greenwood. It is a natural text for any management analyst, for any defense-oriented scholar and, for that matter, it could well be reference reading for students of decisionmaking at the Naval War College.

Greenwood in his six chapters analyzes carefully and perceptively the development in the 1960's to MIRV our major nuclear weapons system; i.e., to provide added punch to our atomic arsenal in the form of multiple targeted reentry vehicles. The result is a clear explicit case study of how vested interests, bureaucratic fears and advancing technology join in conflict, argue, resolve and eventually produce decisions and eventually doctrine and hardware in inventory. The heart of the book is Chapter 3: "Bureaucracy, Strategy and Politics." This is required reading because it comes to the heart of bureaucratic decisionmaking. How is it done? How do innovation and change triumph over the status quo? The decision to MIRV, and the change agent it represented, was not that traumatic a defense issue and thus in its way it more clearly illustrates the case.

For example, the Air Force initially had doubts about MIRVING since bomb size would be smaller and lighter. And why should this matter in an age of