
TRADE

Computer deal foreshadowed Giscard-Brezhnev pact

Three weeks previous to French President Giscard d'Estaing's visit to Moscow, the French consortium Sodedeg-Tai signed a \$17.5 million contract to provide Tass news agency with a text-editing computer system.

The French-Soviet computer sale, beyond its immediate aim of providing an extensive text-editing and message-switching capacity for use by Tass in-time for the Moscow Winter Olympics, represents a concerted effort at technology exchange between the two nations. One of the consortium members, CII-Honeywell Bull already has an exchange program for training Soviet engineers, and the French trade official present at the contract signing ceremony stated his expectations that the exchange of personnel resulting from the computer sale would eventually lead to greater Soviet development of consumer electronics for export to Western Europe.

The combination of the Tass computer deal and the subsequent Giscard-Brezhnev communique, with its emphasis on cooperation in high-technology areas, will bring down the "electronics curtain" erected during the Cold War. That curtain is maintained today by the Free World Coordinating Committee (CoCom), a semi-official NATO-linked multilateral committee which oversees "strategically sensitive" exports to the East Bloc.

The French deal represents the second major breach of CoCom anti-technology efforts since the signing of a similar, if less explicit, agreement between West German Chancellor Helmut Schmidt and Soviet

President Brezhnev at Bonn in May 1978, and the formation of the European Monetary System at Bremen shortly thereafter. In the intervening period, the West German government has approved the sale of disk drives to Hungary for the eastern European common market computer development effort, bypassing CoCom approval.

Univac loses a deal

Tass had originally opened a contract with Univac to service Tass's wire service system. Then the anti-technology boys in Washington stepped in. Washington vetoed Univac's even discussing with Tass what Univac's message-switching communications capabilities were. Next, although a scaled down Univac system was approved for export to Tass by both the U.S. Export Administration and CoCom, that package was vetoed by President Carter. Tass meanwhile had agreed to numerous extensions on the original contract. But Tass also began shopping around for an alternate supplier. Tass gave the French the deal.

Carter's stalling could not have been better timed for producing outrage among U.S. industry representatives. Representative of this anger is a feature article in the latest *Electronic News* titled "The French CoCom Connection." Its author, Jack Roberts, writes: "Thanks to White House fumbling on the Univac-Tass deal, the Soviets are getting everything they wanted in the first place ... possibly foreclosing much of the Soviet market to other computer orders."

The loss of the Univac contract has touched a raw nerve for U.S. computer manufacturers. It is believed that fatal Administration obstacles to the deal originated with the Administration's human rights campaign, notably through heavy pressure from National Security Advisor Brzezinski and NSC member Samuel Huntington. Huntington, a proponent of, and advisor to, the Council on Foreign Relations program for worldwide "controlled economic disintegration," has argued in the fall 1978 issue of the CFR's quarterly, *Foreign Affairs*, for holding U.S. exports to the East bloc as hostage to the Administration's linkage of human rights to detente.

Huntington's conclusions are only mildly disputed in the Spring 1979 issue of that same publication in an article by Rep. John Bingham (D-NY). Bingham proposes to mend the rips in CoCom's fabric by replacing the discredited unilateral U.S. human rights approach for blocking technology for exports with a beefed up multinational approach, namely by turning CoCom into a treaty organization like NATO.

It appears likely that Bingham's proposal will get a cold shoulder from other CoCom members. France's Iris 80 sale to Tass suggests that the French government regards CoCom as an advisory body only. Indeed, earlier France had voted in CoCom to allow the U.S. Univac sale to the Soviets. It was the U.S. government that sabotaged a U.S. deal its French competitors had endorsed.

—Katherine Ransohoff