

EDITORIAL/OPINION

Soviet Technology Could Aid US

BY WILLIAM C. NORRIS

As the Soviet Union continues its drive for perestroika to achieve economic and political restructuring to improve its standard of living and to become competitive in the international economy, business cooperation can serve the interests of both nations.

Doing so would help U.S. companies gain access to the vast storehouse of Soviet technological resources and strengthen their own competitiveness, while allowing Mikhail Gorbachev to further advance the fundamental change needed to achieve his goal of radically reforming Soviet society.

Though the Soviets have opened their doors to Western business, there are still many obstacles in developing business relationships. Lack of convertible currency, shortage of hotel rooms, and inadequate transportation and communications facilities all make it difficult to operate, especially in the provinces.

Western businessmen should be prepared to deal with a complex and cumbersome state bureaucracy that even Soviet officials concede presents formidable obstacles. As one official told me during a visit to Moscow in 1987, "It is very important to know our drawbacks so you will have no illusions."

But joint enterprises with communist countries can be successful. I know, because I established one in Romania in 1973 to develop and manufacture computer peripheral equipment. Our worst problems stemmed not from the Romanian government but from our own export controls.

There can be enormous long-term benefits to the United States by greatly expanding business relationships with the Soviet

Union, which has one of the world's largest, though inefficient, economies. Companies from West Germany, France, Italy and Britain, as well as Japan, are already building a broader base for future business growth than we are. If this trend continues, our foreign competitors will become so entrenched that it will take the United States a decade or longer to dislodge them.

The loss will be greatest in the field of high technology because the United States is no longer self-sufficient in this area. We have neither enough scientists and engineers, nor enough capital to develop all of the technology needed to create new industries and expand existing ones to the extent required in the years ahead. Therefore, we must work cooperatively with other countries in order to gain access to their technological resources.

The Soviet Union has more scientists and engineers than any other country, and a large number who are outstanding in fields such

as space, energy and medical technology. If the United States is to realize the full potential of cooperation with the Soviet Union, we must move rapidly to establish joint ventures based on the exchange of high technology.

However, U.S. companies are handicapped in establishing agreements because U.S. export controls are more stringent than those of other Western countries.

The President's Commission on Industrial Competitiveness has concluded that many U.S. export controls are outmoded and unnecessarily reduce the ability of American firms to compete. A 1987 study by the National Academy of Sciences noted that the scope of U.S. export controls embraced too many products and technologies to be administered effectively. And just last December the National Research Council said in a report prepared for the State Department that advances in computer technology — including software — have made

current export controls on components virtually unenforceable.

To stand idly by while other countries gain the benefits of Soviet technology through joint enterprises is a risk the United States can ill afford to take. Without endangering our national security, there is substantial room to remove unnecessary barriers and thus encourage such cooperative efforts.

In their statement following the Dec. 10, 1987 summit meeting, President Reagan and President Gorbachev agreed that "commercially viable joint ventures complying with the laws and regulations of both countries could play a role in the further development of commercial relations."

In the long run, joint ventures between small U.S. companies and Soviet cooperatives offer the greatest potential for solid, growing and enduring business relationships. With the assistance of economic development support organizations in virtually every state, thousands of small enterprise high-technology joint ventures can be established over time. But only if the Bush administration permits such enterprises by reducing export restrictions.

Unless we move aggressively, both in government and business, the benefits of access to huge Soviet technological resources will not be realized by U.S. companies. Instead, these benefits will accrue to our foreign competitors in the form of expanded economic activity and new jobs.

William C. Norris is founder and chairman emeritus of Control Data Corp., and chairman of the William C. Norris Institute, a non-profit corporation established in 1988.

