

advantage of having a single volume which lucidly describes the background, applications and trends of new telecommunications technologies.

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Trade Wars: The High Technology Scandal of the 1980s, by Kevin Cahill

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At 10 a.m. on 17 July 1985, the responsible British minister reported to Committee Room 12 in the House of Commons for a meeting of the Fifth Standing Committee on Statutory Instruments etc; Export of Goods (Control) Order 1985. The crowd blocking the corridor outside surprised the minister; an aide explained that a recent newspaper story, of which the minister was unaware, probably accounted for the unusual degree of interest: the British Attorney General had just declared US export control policy to be an unwarranted encroachment on UK jurisdiction and contrary to international law. The incident encapsulates nicely the message of *Trade Wars*: US export controls are rather more important than many of those in authority would have us believe.

Ever since the Cold War, the Western Allies have deemed it prudent to deny the Soviet Bloc items of strategic importance. They co-ordinate this effort through a low profile committee in Paris called CoCom, a body which has no official existence, but which brings together nearly all the NATO allies and Japan to decide what the Russians may, and may not, have. Domestic legislation in each participating country gives force to CoCom proscriptions. The system may be curious, but hardly enough to provide meat for the thriller Kevin Cahill has written. Its excitement and intrigue are derived from the efforts the Americans are making to enforce their own unilateral export controls on their allies. These now extend well beyond battlefield hardware and include not just a massive range of modern high technology. Now multilateral decisions to deny the Russians guns and bombers are one thing: unilateral efforts by the Americans to prevent high technology information flowing to the East from any source whatsoever are quite another. Information is tricky stuff and history is littered with failed attempts to control its flow. There is, though, apparently more to this particular attempt than inevitable failure; according to Cahill, there is conspiracy afoot. For the allies, the real importance of US export controls is that they are an illegal means to an ignominious end.

Kevin Cahill is a journalist and one that is quite obsessed with the issues raised by American export controls. As he is also probably the most knowledgeable person on the subject, at least outside the citadels of power in Washington, it is well worth delving into the reasoning behind the obsession. Cahill believes that the American government is exploiting export controls to undermine the independence of Western nations, to make them as tributary to the United States as the Warsaw Pact nations are to Russia. This is being achieved by making claims on the sovereignty which the allies are too myopic, too unaware and too pusillanimous to withstand. That is the strategy: the tactic is to encourage American high technology firms to take actions to

protect American high technology abroad which infringe the sovereignty of host nations, and also to give those firms a commercial advantage over their foreign competitors. Abject acceptance of American claims to extra-territorial jurisdiction and the surrender of independence in high technology help achieve the aims of insidious American imperialism.

These are sweeping allegations and one is entitled to ask for proof. Cahill provides some; for instance, the letter from IBM, which was the focus of the British Attorney General's indignation. On Christmas Eve 1983, IBM (UK) sent a letter to its leasing agents in Britain reminding them that they required the permission of the US Department of Commerce before certain advanced equipment could be moved from one location in the UK to another. Then there is the letter from Texas Instruments to its British customers instructing them not to pass on information about the company's products. There is also evidence of European companies being fined for infringement of American laws outside the United States, and of their inclusion on the dreaded Denial List (or various other blacklists kept by US government departments), which is sufficient to prohibit any American company trading with the named company, or with anyone else who trades with that company. The cautious would argue that such actions provide insufficient basis for grand conspiracy theory, that they represent merely clumsy over-reaction by the Americans in their anxiety to keep high technology from the Russians for the security of the West. Kevin Cahill is not cautious; he is in no doubt about what it all means. Consequently, his evidence is not so much pieced together mosaic-fashion, as amassed to impress by sheer weight. For such an evangelist, reform is not wrought through painstaking logic, but by bold public disclosure — in the media, in Parliament and now in his own book.

The problem is that while this "hit 'em hard" technique is splendidly appropriate for a lead story in a newspaper, it is in conflict with the continuity, the progression required in a book. Time and again Cahill's wallop is followed by a whimper: the CIA is one minute omnipotent in its evil, the next more like a mangy tom cat scrounging for scraps of information; American multinationals can be presented as utterly ruthless in pursuit of their commercial interests, and later as willing pawns of the Pentagon; the force of American capitalism is portrayed as virtually insuperable and then, like evil in the shadow of the cross, is reduced to nought by the threat of Article 13 of the European Convention of Human Rights. Occasionally Cahill's racy narrative and enthusiasm lead him too far from a defensible position: to claim that European high technology is uncompetitive solely because of US export controls (p.123) is to ignore both the many other causes of that industry's woeful state, and the Japanese. Nor is it really acceptable to insist that the world's most prominent democracy is being exposed to a gradual *coup d'état* by the military (p.57); or that NATO is not so much a military alliance as a captive market for American armament firms (p.27); or that the net economic effect of widespread computer use is an end to the increase in energy and raw material exploitation, and to employment growth (p.46); or that Japan and Germany posed a commercial threat which the United States determined to resist in 1954 (p.30). Presumably Cahill has been carried away by his own crusading enthusiasm, which may also be explanation for the frequent and annoying occasions upon which insufficient information is provided to make sense: a Christian name may appear half a dozen pages before the full name

and context are revealed, a letter is surely missing from an appendix, and names are dropped on the apparent assumption that every reader must be on intimate terms with each individual. There is every indication — even the claim that the United Nations is a member of CoCom (p.56) — that the writing has been hurried, a journalistic requirement which ill serves an author.

If Cahill fails to prove much in *Trade Wars*, he most certainly raises some intriguing and important issues, and he does so with every bit as much determination as he claims the Americans apply to the enforcement of their export controls. The CIA may have met its match in Kevin Cahill. *Trade Wars* will entertain as much as any fictional tale of espionage, but it should also disturb. Just what are the Americans up to with their export controls?

And more mysteriously, just what are the Europeans up to with their compliance? The willingness of the British to prostrate themselves before even the most outlandish deities of American export control mythology has produced some of the most memorable of Cahill's reminiscences. He obviously despises the ignorance and spinelessness of civil servants working in this area; he is adamant in referring to their "treachery" (pp.58, 61), and in one glorious passage of pure spleen and frustration, he talks of: "...five years of dealing with the Civil Service, of watching ministers make fools of themselves in public because they have not been briefed properly, or of discovering what the media imagines is policy is very often the result of the Permanent Secretary's perusal of that morning's copy of *The Times*" (p.41).

Yes, that rings true. With the might of the American government and American multinationals ranged against such opponents as the British Civil Service provides in the matter of export controls, there is need for such as Kevin Cahill.

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The Australian Aerospace Industry: Structure, Performance and Economic Issues, by the Bureau of Industry Economics (BIE), Research Report 20. (AGPS, Canberra, 1986) pp.xxvi + 425, ISBN 0-644-04816-6.

The contents of this research report were assembled and examined to ameliorate a deficiency in data on, and analyses of, the aerospace industry in Australia. This task was timely in light of the potential some hold for this industry, and as the Australian manufacturing sector desperately seeks to identify 'winners' which might provide the key to industrial and technological abundance. However, as the Bureau reports, assessment of both the prospects for aerospace development and of existing policy instruments has been stymied through a paucity of accurate data. This research report was thus initiated by the Minister for the (then) Department of Industry and Commerce in a policy announcement for the aerospace industry in mid-1984 to remedy these deficiencies.

The report is substantial (in excess of 400 pages) and extensive in its coverage. It tables, and incorporates within its many analyses, the results of a BIE survey of some 100 plus firms in the industry, conducted in 1985 and