

authors, we should have supported Israel more consistently and used its military success to bargain effectively with the Arabs and the Soviets instead of giving in to them. In the future, the argument continues, Israel is indispensable to us if we want to break the oil price; and if the time comes when we have to use force against the oil producers, the most propitious occasion will be the next Arab-Israeli conflict. The authors have little to say about Soviet policy. Indeed, because the argument against OPEC is so shrill and so absorbs their attention, we never get a clear idea of what the great détente disaster is, except that American illusions and mistakes have turned it into a one-sided bargain in Moscow's favor.

This is a book of debater's points following (and often repeating) each other in rapid succession. Questions and counterarguments will spring to the mind of many readers. Nevertheless, at a time when the United States and its Western partners seem uncertain of what their vital interests are and unwilling to make any sacrifices at all, we need to hear more cries of alarm and pleas for political will, even if we choose not to respond to this particular recipe for action.

JOHN C. CAMPBELL  
*Council on Foreign Relations*

SOVIET-THIRD WORLD RELATIONS, vol. 3: SOVIET-AFRICAN RELATIONS. By *Charles B. McLane*. London: Central Asian Research Centre, 1974. 190 pp. Tables. £5.00. \$15.00. Distributed by Columbia University Press, New York.

In the third and final volume of *Soviet-Third World Relations*, Professor McLane provides an overview of Soviet relations with Africa and brief sketches of Soviet relations with thirty-six sub-Saharan African states. Each of the sketches is complemented by a chronological listing of the major political, economic, and cultural developments which have influenced these relations. The volume concludes with tables summarizing Soviet political relations with African states, Soviet economic assistance to Africa, and Soviet trade with Africa.

As in the volumes covering Soviet relations with Asia and the Middle East, McLane has produced descriptive summaries rather than detailed analyses of Soviet policy. (The analytic study is to appear as a separate book entitled *Russia and the Third World*.) But in spite of the lack of analysis, *Soviet-African Relations* will be useful to both neophyte and specialist, for it contains, within the covers of a single volume, a wealth of data on Soviet relations with Africa, plus an excellent selected bibliography and numerous additional references in the notes.

Professor McLane deserves gratitude for providing the student of Soviet foreign policy with ready access to so much specific information on Soviet relations with developing countries.

ROGER E. KANET  
*University of Illinois at Urbana-Champaign*

FINANCIAL CHECKS ON SOVIET DEFENSE EXPENDITURES. By *Franklyn D. Holzman*. Lexington, Mass.: Lexington Books, D. C. Heath, 1975. xvi, 103 pp. Tables.

Contemporary interest in arms control devices tends to focus on limitations of specific weapon systems or forces, expressed in physical units. Ever since the

Hague Peace Conference in 1899, however, there have been periodic attempts to place limitations on military budgets. In the postwar period, suggestions for reduction of military budgets have been a staple of Soviet disarmament statements, the latest example being Gromyko's proposal, at the Twenty-eighth United Nations General Assembly in September 1973, that the permanent members of the United Nations Security Council reduce their military budgets by 10 percent and allocate 10 percent of the savings to international assistance to developing countries. Reaction by NATO states to this proposal was, as their reaction to previous Soviet proposals of this kind had been, predictably cool. As usual, the Soviet initiative made no provision for verification of compliance and ignored the problem of dissimilarity in the scope and coverage of the military budgets of different states. There was no indication that the Kremlin intended to provide any more information about its annual military expenditures than the single, undefined figure—allegedly, total “defense” outlays—which is all that has been released in the USSR during the last three decades.

Against this background, Professor Holzman, in 1964, was asked by the ACDA (United States Arms Control and Disarmament Agency) to provide a detailed analysis of the problem of verifying Soviet compliance with a military expenditure limitation of the type indicated above. The book under review is based on the author's 1965 ACDA report, but includes some revisions and updated material. Roughly half of the volume represents a painstaking exploration of the possibilities of concealment of portions of Soviet military outlays in various parts of the Soviet budget (other than the explicit “defense” category) and in non-budgetary channels. It is clear from his exposition, as has been noted by other specialists, that, given the state of our information on Soviet finances, the concealment problem is indeed significant.

Professor Holzman then proceeds to examine methods of financial verification that take the concealment problem into account. He seeks to avoid unnecessary trampling on Moscow's security consciousness, but because he performs his task with admirable conscientiousness, he is forced to seek substantial increases in the volume of information released by the Soviets to assure reasonable confidence in verification. Again and again the logic of the problem drives the investigator to such statements as: “One possible solution to this problem would be for the Soviets to agree . . . to present their budget expenditure accounts in greater detail” (p. 60).

In his final chapter, Professor Holzman explores the very interesting possibilities of verification through sampling of financial documents made out on the budget's account in Gosbank. But while the technique is suggestive, it has loopholes that may also be sizable, including the requirement for a rigorous audit of a subsample of the documents in question. The author acknowledges that “in fact, the auditor might obtain more information about the Soviet economy from such a sample check than it would from the publication of a large number of additional time series of the type required for verification in [the previous chapter].”

Thus, Professor Holzman has helped make clear a point that emerged from the report of the United Nations Expert Group on the Reduction of Military Budgets (Document A/9770/Rev. 1, Sales No. E.75.I.10, 1975). There are trade-offs between the stringency of an agreement to limit military expenditures and the volume of information provided by the participants. Ultimately, then, whether expenditure limitations are a feasible route to control of superpower arms will

depend on Soviet understanding of that trade-off and Moscow's incentive to reduce its military burden.

ABRAHAM S. BECKER  
*The Rand Corporation*

DÉTENTE AND DOLLARS: DOING BUSINESS WITH THE SOVIETS.

By *Marshall I. Goldman*. New York: Basic Books, 1975. x, 337 pp. \$15.00.

In the quinquennium centered on 1971, the annual volume of U.S.-Soviet trade grew by one order of magnitude, and by 1974, reached a level of 1.4 billion dollars. This is a striking rate of change for any gross economic aggregate, and implies a profound reorientation of attitudes and circumstances. Professor Goldman's book is intended to provide perspective on the causes of this abrupt change, the issues it raises for both public policy and the behavior of American business firms, and on its further prospects. Part 1 presents a brief historical review of Soviet-U.S. trade, with the main emphasis on explaining the shifting considerations that have motivated each side. A major theme is the importance of the political atmosphere, which has led on both sides to violent swings between extremist attitudes. On the United States side, we shift from a security-obsessed revulsion toward economic relations with the USSR at one moment, to overenthusiastic projections of their magnitude and desirability at another. On the Soviet side, there has been a comparable oscillation between autarkic and open strategies of economic development, conditioned in part by shifts in political attitudes toward the capitalist world.

The two chapters of part 2 are concerned with the question of what the Russians can offer in exchange as payment for a large expansion in imports from the United States. Raw materials seem to offer the best prospects in this regard and chapter 4 is a case study of Soviet oil and gas trade, oil being the major export on which the Russians have depended in recent years to expand export earnings. Goldman does not analyze in detail the prospects for further increases in the amounts of oil and gas available for export, but emphasizes the large wind-fall in foreign exchange earnings that the Russians have enjoyed because of rising energy prices. Chapter 5 describes the great variety of new approaches the Russians have initiated for acquiring hard currency beyond their earnings from raw material exports. These include joint production agreements with Western countries, gold exports, and an emerging role as a middleman in handling the trade of other countries and in providing such services as banking. Goldman does not cover the question of foreign earning capacity in a systematic or quantitative way, but these two chapters provide some interesting material to counter the commonly held notion that Soviet export earnings will be insufficient to maintain expanded imports. And he touches on many other aspects of Soviet behavior in world markets, as well. For example, the USSR is quite willing to operate in the capitalist world using the full paraphernalia of capitalist institutions—partnerships with other capitalist firms, banks to carry out financial transactions, and so on. At the same time, however, the Soviet leaders are very restrictive on the kinds of arrangements they are prepared to accept within their territory.

Probably the most interesting and novel contributions are in part 3. Chapters 7 and 8 are case studies of important examples of Soviet trading activities with the United States—grain purchases, and the Soviet effort to purchase an air traffic