

# 'US v USSR No Contest': Wantland

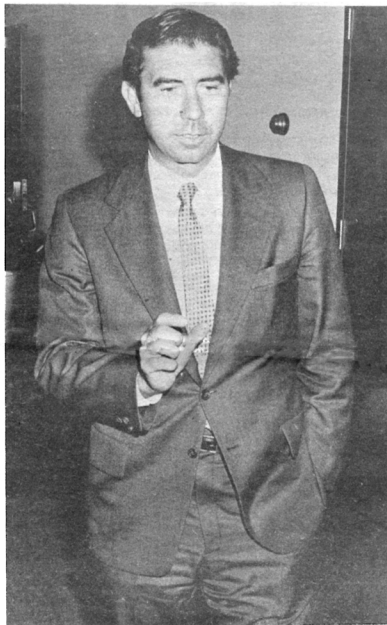
By TOM RYAN

SEATTLE (FNS) — "If we ever achieve free trade with them, American industry will eat 'em alive. There would be no contest."

The reference was to the Russians, and the speaker was Earl Wantland, president of Tektronix, recently returned from Moscow as a member of a trade mission sponsored by Wema.

The Tektronix executive predicated his impression of Soviet know-how more on lack of craftsmanship than on technical prowess. Citing "really high caliber" work being done at the Academy of Science, Mr. Wantland last week

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Earl Wantland, who returned recently from a tour of Russian electronics facilities.

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told a dinner meeting of the Wema Washington Council:

"But the actual manufactured product is really poor, with shoddy workmanship. Their components technology is a generation behind ours. Many of their specifications are different from ours, and would have difficulty meeting U.S. requirements. You really begin to lose contact with them in a conversation when you talk about things like competition.

"The Russians have a production program, but they're not much on quality control. When they talk about production capability they're not talking qualitatively.

"We hear about their technological achievements (in space), but what they don't have is achievement in commercial-industrial products," Mr. Wantland said.

The Russian system of bureaucracy is a tough barrier for an American company to do business there, Mr. Wantland observed. A company has to work with three or more government ministries to sell a product, he noted. "Everyone works for the government in a bureaucracy mode. I had trouble adjusting to that."

Mr. Wantland said Tektronix, which has done some business in Eastern Europe, has found that "getting into direct contact with the end user is the most difficult thing of all."

He related that Moscow, with a population of about 7 million, "has no phone book, under the theory that if a Russian wants you to call him, he'll give you his phone number."

The Tektronix executive was not optimistic that a free trade interface was anywhere near a reality, and voiced some of the frustrations which have become general among American firms eying Soviet markets.

"The first things the Russians hit us with was the U.S. embargo, Most Favored Nation status and balance of payments," Mr. Wantland said.

From this side, "uncertainty in licensing" is a big problem, he said.

"The Russian balance-of-payment problem is severe. They really don't have a lot of dollars to spend. Their scientists are keenly interested in American products, but when it comes to getting the money from the bank, that's something else again."

Mr. Wantland said "half of our problem is in Washington" when it comes to Tektronix doing business with Russia. "We can't get export licenses for about half our products. . . Inter-agency approval committees in the U.S. government can veto an export license on a product, with no reason given. . .

"Russian scientists drooled over our

high-performance oscilloscopes, but there was no way we could encourage them." He said there also is "no hope" of getting an export license to ship a semiconductor test system to Russia.

Weighing all the problems involved, the prospects for the U.S. electronics industry of doing business with Russia are "relatively modest but promising," assuming the detente continues, Mr. Wantland said in an interview after the meeting.

Among the Wema members in the audience, at the Sea-Tac Hotel a number have had dealings with East bloc nations, among them John Fluke, Mfg. Co.

Asked about progress thus far, John Fluke, chairman, said: "We're pursuing that Eastern Bloc business. We sold a sizable order to Yugoslavia the other day. It was an instrumentation order with some voltmeters."

Asked about the size of the sale, Mr. Fluke estimated it "in the lower end of the five-figure bracket."

"A lot of that business depends on U.S.-Russian relations," Mr. Fluke observed. "We have sold some instruments to the Russians in trade shows there. . . We have had a rep working the Communist Bloc countries for about 18 months. Those satellite countries are easier to sell than Russia itself."

Included in the trade mission with Mr. Wantland were Robert Noyce, Intel; George Bruns, Systron-Donner; John Bishop, Dana Labs; Jesse Aweida, Storage Technology; Herb Dwight, Spectra-Physics; Trude Taylor, EM&M; Thomas Brown, Burr-Brown; Harold Frank, Applied Magnetics, and John Thornton, Wavetek.