

## FOREIGN POLICY & DEFENSE

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prisoners, tolerated political demonstrations, and permitted Soviet diplomats to discuss the sensitive topic of human rights. Against the Central Committee's wishes, Gorbachev has supported multi-candidate elections for some party posts. "Democracy is not the opposite of order," the Soviet Communist Party chief has said. "It is order of a higher degree, based not on . . . the mindless carrying out of instructions, but on whole-hearted, active participation by the whole community in all of society's affairs."

Thus, *glasnost*, Reddaway suggests, represents a sincere effort to reform Soviet society, and one that will meet fierce resistance from Moscow's entrenched *nomenklatura*. That is why Gorbachev's revolution is not likely to succeed.

Unfortunately, Reddaway says, Soviet society is no more likely to change now than it was 30 years ago. "I suspect that the only likely remedies for this situation," he observes, "may be the ones that have been required in Russian history for nearly two centuries—either a serious breakdown in public order, or defeat in a war."

### NATO Works

"NATO Defense: No Need for Basic Change"  
by David C. Hendrickson, in *Parameters* (Summer 1987), U.S. Army War College, Carlisle Barracks, Penn. 17013.

Should the North Atlantic Treaty Organization (NATO) be preserved? Some strategists argue that Soviet military might and European neutralism have rendered NATO ineffective. American tax dollars, they say, would be better spent on the Strategic Defense Initiative and defending American frontiers than on maintaining an antiquated alliance.

Hendrickson, a political scientist at Colorado College, says that critics have not proved that NATO needs to be overhauled or abolished. Defects in NATO, he writes, "have been greatly exaggerated"; it is still capable of countering Soviet aggression.

A quick Soviet invasion of Western Europe would face formidable obstacles. In order to conquer West Germany, for example, Warsaw Pact commanders would have to reinforce 25 Soviet divisions with troops from the client states of Poland, Czechoslovakia, and East Germany whose "reliability under fire is doubtful." Should the initial invasion fail to produce a decisive victory, Soviet generals would have to rely on "short-term conscripts with inadequate training and no experience" in fighting a protracted war of attrition.

U.S. defenses in West Germany are becoming more reliable, Hendrickson writes. The U.S. Seventh Army is "a far more capable fighting force" than it was in the late 1970s. American air power is also better prepared to respond to Soviet aggression.

Moreover, the Soviet Union lacks any credible excuse for an invasion. The USSR does not have "standing grievances" similar to those which helped provoke the First and Second World Wars. Unlike Germany after the Versailles treaty of 1919, the Soviet Union is not a defeated nation thirsting for revenge. The current European balance of power was shaped and approved at the Yalta and Potsdam conferences of 1945, where the

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Soviet Union negotiated with the United States and Great Britain on an equal footing.

Lastly, Hendrickson concludes, the Soviets "lack a plausible theory of victory." NATO's forces remain strong; three Western powers (Great Britain, the United States, and France) retain the ability to annihilate the Soviet Union with nuclear weapons. NATO leaders should formulate strategy based on two principles: "one is to recognize that the Russians wish to intimidate us; the other is not to be intimidated."

### *Balancing Trade*

"Economic Imbalances and World Politics" by C. Fred Bergsten, in *Foreign Affairs* (Spring 1987), 58 East 68th St., New York, N.Y., 10021.

As everyone knows, the 1980s have produced dramatic changes in the world economy. Thanks mostly to rising budget deficits and Japan's aggressive entrepreneurs, the United States, which has recorded surpluses in trade with other nations for decades, now has the largest trade deficit of any nation in history.

Bergsten, director of the Institute for International Economics, suggests that such trade deficits are symptomatic of American economic decline. To reduce the trade deficit (\$150 billion in 1986), Americans must first accept that a worldwide "Pax Americana" is no longer affordable. "It is obvious," Bergsten warns, "that the United States can no longer play the role of global economic benefactor."

The changing trade balances will eventually have "enormous psychological effects" both in the United States and in Japan. Despite its vast debts, the U.S. still acts as if it had the strength of a creditor nation, notably by such actions as forcing the dollar to rise so high that its own industrial and agricultural products were priced out of world markets. Japan, with massive trade surpluses, still sees itself as a weak, isolated island with "few global responsibilities," instead of a nation whose annual trade surpluses are almost as large as American trade deficits.

Bergsten suggests that reducing U.S. trade deficits through protectionist measures, while providing temporary relief for some U.S. manufacturers, may set off "a full-scale trade war" which would gravely weaken Third World debtor nations and threaten the foundations of the North Atlantic Treaty Organization. The best strategy to restore America's economic health would be to reduce the federal *budget* deficit by \$100 billion by the early 1990s. Such self-discipline in Washington would free funds which could be used by export-oriented American manufacturers to expand and retool their plants.

Japan will have to adjust its economy to reduce unhealthy trade surpluses. By cutting existing taxes and postponing new ones (most notably a proposed value-added tax), Japan could shrink its trade surplus by increasing *domestic* demand for goods. For example, Japan's houses, on average, are half the size of American houses, and many lack modern plumbing. If the Japanese government could reduce land prices by slashing domestic farm subsidies and by removing arbitrary building restrictions, Japan could