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says, would reduce the chances of fighting ever breaking out.

As Barnaby notes, "warfare relies increasingly" on smart weapons. A U.S.-made, $15,000 TOW or a $40,000 Hellfire missile can destroy a $3 million tank. The U.S. Standoff Tactical Missile, which deploys warheads that attack many tanks, is one of several new weapons being developed.

These weapons' abilities are proven—as during the 1982 Falkland Islands War, where British and Argentine missiles sank ships and downed more than 100 planes. Such technology, Barnaby argues, would allow NATO to create a nonnuclear European defense zone, roughly 37 miles wide, along the entire 625-mile East-West frontier. The zone would be saturated with attack sensors and all manner of smart weapons. Mobile squads with "high firepower" arms would deal with whatever enemy forces managed to break through.

Because no counterattack would be needed, NATO forces "would not have main battle tanks, long-range combat aircraft, or large warships." Nonprovocative defense, while cheap, "morally acceptable, and unambiguously legal," would also, says Barnaby, be "militarily credible."

Battered Lives

"Politics and the Refugee Experience" by Cheryl Benard, in *Political Science Quarterly* (vol. 101, no. 4, 1986), 2852 Broadway, New York, N.Y. 10025-7885.

Refugees are defined as people who flee from their own state to another because of war, persecution, or personal danger. By the United Nations' last reckoning (1981), the displaced now number some 8.7 million. Most have fled troubles they did not create and often do not even understand.

Benard, research director of the Ludwig Boltzmann Institute of Politics in Vienna, Austria, toured refugee camps in Pakistan, Nicaragua, Lebanon, Ethiopia, Thailand, and the Sudan. She found that the chief result of confinement and enforced dependency was a tendency toward violence.

In Thailand, warring Cambodian groups maintain headquarters in the camps and prey on each other's civilians; in one encampment of 250 Vietnamese, all of the women had been raped by Cambodians. Among Pakistan's Afghan refugees, violence often turns inward. Patriarchal husbands, humiliated by their powerlessness, vent their anger on their families.

Apart from such universal features of refugee experience, actual *conditions* vary widely. How well refugees are treated often depends upon what (if any) symbolic purpose they serve for their host country. Thailand, having no political use for its Vietnamese and Cambodian refugees, keeps them in a border zone where they are eligible neither for official status nor support from the United Nations' refugee agency.

Refugees in countries considered part of the Soviet sphere also fare badly, says Benard. The Soviet Union does not sponsor refugee relief, and Western relief groups typically refuse to help out Soviet-backed regimes.

By contrast, most of the refugees seen as belonging to the "free world" fare relatively well. Dozens of Western voluntary organizations maintain offices in Pakistan, to help Afghan victims of Soviet aggression.

Like Nazi camp survivors, former refugees remain absorbed in the

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singular trauma they endured. Thus the resettled Indochinese in Western Europe still identify with refugees, and try to keep track of them. As for "host" governments, Benard is reminded of how the ancient Greeks viewed refugees: Each was "more than a stranger, less than a citizen."

ECONOMICS, LABOR & BUSINESS

Taxes: VAT Next?

"Worldwide Experience in Sales Taxation: Lessons for North America" by Malcolm Gillis, in *Policy Sciences* (Sept. 1986), Martinus Nijhoff, c/o Kluwer Academic Publishers Group, P.O. Box 322, 3300 AH Dordrecht, The Netherlands.

West Germany has one. So do Britain, France, and five other Common Market nations. In fact, notes Gillis, professor of public policy and economics at Duke University, the United States and Canada are among "the few industrial countries without a national sales tax."

U.S. critics of taxes on consumption (i.e. purchases)—rather than on earned income—have long denounced them as "regressive": The poor and the prosperous shoulder the same burden. Of course, income taxes, Gillis notes, present big problems too: In inflationary times, they can push middle-income taxpayers into higher brackets ("bracket creep"); and they are costly to administer and vulnerable to evasion. Hence, a national sales levy has generated interest in Washington.

The focus is on the "value added tax" (VAT), whose adoption by such egalitarian democracies as Denmark, Norway, and Sweden—among others—suggests that regression may not be a great problem.

In a VAT system, suppliers of goods, rather than buyers, pay the taxes. In the dominant type of VAT, taxes are calculated at each stage of a product's manufacture and distribution, but are only paid to the government by the final seller. Firms do not actually reckon the "value added" to a product by them; the tax is merely figured on total sales volume.

VAT systems sound complicated, Gillis says, but are not difficult to administer, and they can be tailored. To promote business growth, capital goods can be exempted; so can, say, medicine, to help the poor.

In European welfare states, VATs have been touted as a way to cut income levies. In the case of Denmark, the first country to adopt a VAT system (1967), 32 percent of government revenues in 1984 came from a 22 percent VAT. "Developing" nations value VATs as reliable income producers; in such countries as Mexico, Argentina, Morocco, Senegal, and South Korea, VATs provide one-fourth to one-fifth of total tax revenues.

The U.S. Treasury suggested a VAT in its 1984 tax reform proposal. Yet President Reagan staunchly rejects any form of consumption tax. Gillis concedes that introducing an American VAT might meet resistance from state governments (of which 45 levy sales taxes) and that conservatives would view a VAT as an expansion of federal power and a new "money machine" for the Big Spenders in Washington. Yet, Gillis concludes, in an age of huge federal deficits, "public discussion of this option will grow."