U.S. policy emphasis must shift from "physical denial and technological secrecy" to strategies that curb the incentives to use and/or possess nuclear weapons of terrorist organizations as well as nation states. Possession itself can be "mischievous," but the most decisive inhibitions are those on the actual use of nuclear weapons (e.g., fear of retaliation and a variety of sanctions that may be directed at countries that violate treaties or abandon non-nuclear status).

In this context, Schelling believes that most countries—China and the U.S.S.R. included—will accept international arrangements to guard against diversion of nuclear material from peaceful uses to weapons. But two risks will remain: the theft of explosive nuclear materials and the more serious problem posed by military revolts and internal disorder within a nuclear-armed country.

One dilemma is the extent to which our own sophisticated safeguards against accidental or unauthorized detonation should be shared with countries not bound by the Non-Proliferation Treaty. While the United States may not wish to reward these nations by offering them advanced technology to guard against misuse, some of the most effective American safeguards involve electronic locking devices and other design features which render a bomb inoperative if tampered with.

The Legalities of Economic Coercion

"The Arab Oil Weapon: A Reply and Reaffirmation of Illegality" by Jordan J. Paust and Albert P. Blaustein, in *Columbia Journal of Transnational Law* (vol. 15, no. 1, 1976), Box 8, School of Law, Columbia University, New York, N.Y. 10027.

The only published legal argument that defends the Arab "oil weapon" and the blacklisting of foreign firms as legitimate weapons of political action is a 1974 article *(American Journal of International Law)* by Ibrahim Shihata, legal advisor to the Kuwait Fund for Arab Economic Development. Shihata describes the withholding of oil from certain states as an "instrument of flexible persuasion" complementing other Arab military and diplomatic measures in the struggle to achieve a favorable resolution of the Arab-Israeli conflict.

No Arab government which employs the "oil weapon" and blacklisting has produced a "white paper" or any other legal justification for its action, say Paust and Blaustein, law professors at the University of Houston and at Rutgers, respectively.

Rebutting Shihata's principal argument, the authors cite the United Nations Charter and the customary law of reprisal as requiring "that any strategy of coercion, economic or otherwise, be proportionate to the 'necessity' of the situation." They likewise reject Shihata's contention that U.N. Charter provisions designed to regulate international coercion are inapplicable in time of war. Shihata's claim that oil contracts and other trade agreements are "political favors" extended by

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the Arab nations—and can be withdrawn at any time—"seems to be contrary to Moslem law as well as to civil and common law contract principles."

Finally, the authors argue, it is archaic and contrary to the Universal Declaration of Human Rights to contend that curbing the production of primary commodities is purely a sovereign, internal affair.

ECONOMICS, LABOR & BUSINESS

Storm Signals Fly For Multinationals

"The Washington Struggle Over Multinationals" by Richard L. Barovick, in *Business and Society Review* (Summer 1976), 870 Seventh Ave., New York, N.Y. 10019.

Why are America's great multinational corporations under attack these days, who are their enemies, and what can they do in self-defense?

Barovick, editor of the *Washington International Business Report,* suggests that the public controversy began in Congress with the debate over the proposed Foreign Trade and Investment Act of 1971, a bill calling for import quotas, control over export of U.S. capital and technology, and heavier taxation of foreign income earned by American corporations. The Act, sponsored by Senator Vance Hartke (D.-Ind.) and Representative James A. Burke (D.-Mass.), with enthusiastic labor support, failed to pass or even be voted out of committee, thanks to heavy lobbying by the multinationals; and later disclosures of possible influence by individual multinational firms on American economic and foreign policy prompted a new look at multinationals by several diverse groups.

The AFL-CIO, with its enormous lobbying power, is the multinationals' most formidable foe. The unions contend that the goals of the multinationals no longer parallel American national interests and that their expansion overseas has weakened the job market and the industrial base at home while stimulating foreign economies. The labor movement has allies with other complaints, ranging from tax reformers and *pro bono* law firms to Nader-type public-interest groups, church organizations, and the New Left.

Chiding the multinationals for their poor public relations and lack of foresight, Barovick warns that their headaches are not going to disappear. The American multinationals, he says, must seek outside advice and learn to anticipate such questions as improper payments to officials abroad and the role of American corporations in countries where human rights are violated. Even then, such issues as taxation of foreign income remain focal points of domestic political hostility toward the multinationals and dim their long-range prospects.