The disease may turn out to be the cure, says Brown. U.S.-Soviet relations are cooling—and rightly so. Each side must lower its expectations by agreeing to disagree on certain issues. Only such an injection of realism can sustain genuine, if modest, progress.

The Navy's V/STOL Plan

"The Transition to V/STOL" by James L. Holloway III, in *Proceedings of the United States Naval Institute* (Sept. 1977), Annapolis, Md. 21402.

Without fanfare, the U.S. Navy decided in 1976 to move from reliance on conventional jet fighters taking off from big flat-tops like the *Forrestal* and the *Nimitz* to development of new "vertical or short take-off and landing" (V/STOL) jets capable of operating almost like helicopters from small carriers and other ships throughout the fleet.

However, writes Admiral Holloway, chief of naval operations, this revolutionary transition to a "pure" V/STOL force will take time. Meanwhile, the Navy's 12-carrier force, America's "margin of difference" over the growing Soviet fleet, must be maintained through the 1980s as new V/STOL aircraft replace the current generation of jet fighters.

Using V/STOL planes, like the Marines' AV-8 Harrier, will reduce both complexity and cost. No longer will aircraft carriers need powerful catapults, large angled decks, arresting mechanisms, and overhangs. But the new jets are still two decades away from full deployment. Navy designers have yet to develop V/STOL fighters with the speed, range, payload, and all-weather flying capability to match today's U.S. carrier aircraft.

Stemming the Arms Drain

"Foreign Military Sales—A Potential Drain on the U.S. Defense Posture," Comptroller General's Report to Congress (Sept. 1977), General Accounting Office, 441 G St., N.W., Washington 20013.

Discussions of U.S. weapons sales to foreign governments—including the Carter administration's recent proposed cutbacks in military aid—stress the role of these sales as a tool of foreign policy. But according to the General Accounting Office (GAO), they may be creating problems for U.S. defense policy as well.

Sales of U.S. military equipment to foreign buyers have jumped by more than 1,000 percent in 7 years: from $952 million in 1970 to over $10 billion today. The United States now dominates the world arms market, in part because it offers high-technology weaponry, in part because American industry needs foreign business to offset slackened U.S. weapons purchases since the end of the Vietnam War. More than half of all arms transactions now involve the United States. The chief purchasers: Iran, Israel, and Saudi Arabia, which account for about $4 billion of U.S. sales in 1976.

According to the GAO, increases in foreign military aid have "adversely" affected U.S. defense capabilities. Foreign sales agreements include provisions for future support (replacement and repair); undelivered future support orders now total $24 billion. This has led to production bottlenecks and competition between the Pentagon and foreign arms clients for essential parts. About half of all foreign support needs have yet to be calculated; inadequate attention has been paid to logistical back-up for systems with common components. (Sales of such systems affect not only the system being delivered but all similar systems already delivered.)

If lack of planning continues, GAO warns, the United States could find itself in the painful dilemma of being unable to fulfill foreign arms commitments without affecting U.S. readiness.

ECONOMICS, LABOR & BUSINESS

A Slackened Pace for East-West Trade

"The Wheels of Soviet Trade Could Use Some Oil" by Robert J. Samuelson, in *National Journal* (Oct. 8, 1977), 1730 M St., N.W., Washington, D.C. 20036.

The experience of the past five years has changed U.S. thinking about East-West trade, writes Samuelson, a *Journal* staff writer. First, it is now clear that the Soviet Union and its allies see importing advanced Western technology not as a means of upgrading their armies, as was once feared, but as a way to solve chronic economic problems. Second, a long anticipated trade "bonanza" for U.S. industrial exporters, with a consequent muting of East-West ideological conflicts, will not materialize.

The Soviet economy has been burdened by heavy defense spending (11–13 percent of total output, compared to 5 percent in the United States); by the need to keep a quarter of the work force on the farm (less than 5 percent in the United States); and by periodic crop failures. Western analysts see a slowdown in Soviet economic growth and energy production by the mid-1980s, coupled with declines in productivity and available labor. Imports of Western technology (e.g., for the proposed West German steel complex at Kursk and U.S. truck plant on the Kama River) may help ease domestic shortfalls.

In recent years, however, East-West trade has slackened: The Soviet Union and Eastern Europe don't have enough desirable goods to sell abroad. Communist trade deficits have reached staggering levels: In 1976, U.S. exports to the U.S.S.R., including grain, totaled $2.3 billion, while Soviet exports to the United States stood at a mere $220 million.