

## FOREIGN POLICY & DEFENSE

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Moreover, though the Carter administration banned new weapons sales to eight nations on the basis of Section 502B—Argentina, Bolivia, El Salvador, Guatemala, Haiti, Nicaragua, Paraguay, and Uruguay—it did so quietly, to keep its options open. The State Department even refused congressional requests for lists of countries guilty of “gross abuse.” Spare weapons parts and military support equipment (e.g., trucks, radar) usually were not included in the bans. In 1978, for example, the United States sold Argentina nearly \$120 million in spare parts and support. “Extraordinary circumstances” continued to necessitate frequent aid to five other regimes judged repressive (Indonesia, Iran, the Philippines, South Korea, Zaire).

“Human rights,” President Carter said in December 1978, “is the soul of our foreign policy.” That may have been the President’s policy, says Cohen, but to career State Department officials, loyalty to “client” countries and U.S. allies came first.

### *Moscow’s Friends Backed the Bomb*

“Hiroshima and the American Left: August 1945” by Paul F. Boller, Jr., in *International Social Science Review* (Winter 1982), 1717 Ames St., Winfield, Kans. 67156.

Did America drop atomic bombs on Hiroshima and Nagasaki in 1945 mainly to defeat Japan or to daunt its future rival, the Soviet Union?

Since the publication of Gar Alperovitz’s revisionist *Atomic Diplomacy: Hiroshima and Potsdam*, in 1965, the conventional wisdom among American radical intellectuals has been that the bombings were unnecessary and immoral, staged chiefly to intimidate the Soviets. But Boller, a Texas Christian University historian, writes that this argument ignores one important fact: In 1945, those U.S. intellectuals who were most sympathetic to Moscow were also among the most enthusiastic supporters of the decision to use the bombs.

On August 8, 1945, two days after the devastation of Hiroshima, for example, a columnist for the American communist *Daily Worker* wrote, “So let us not greet our atomic device with a shudder, but with the elation and admiration which the genius of man deserves.” Among intellectual journals then generally sympathetic to the Soviet Union—*The Nation*, *The New Republic*, and *PM*—the reaction was equally triumphant. The editor of *The Nation* wrote that “\$2,000,000,000 . . . was never better spent.”

But anticommunist liberals, writing in such periodicals as *Common Sense*, *The Progressive*, and *Christianity and Crisis* were disturbed. Theologian Reinhold Niebuhr, for instance, criticized left-wing supporters of the bombings for harboring “the foolish hope that if we can completely destroy we will also be able to build a more ideal social structure out of these complete ruins.” American socialists, led by Norman Thomas, echoed these liberals’ anticommunism and their qualms about the bombings. The American Trotskyists of the Socialist

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Workers Party, hostile to both Stalinist Russia and capitalist America, reviled the bombings as the work of "Wall Street Militarists."

If Washington's purpose really was to intimidate the Soviets, Boller concludes, it is strange that Moscow's friends in the United States did not get the message.

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**ECONOMICS, LABOR & BUSINESS**


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### *Who's Turning Out the Lights?*

"Our Stake in the Electric Utility's Dilemma" by Peter Navarro, in *Harvard Business Review* (May-June 1982), Subscription Service Dept., P.O. Box 3000, Woburn, Mass. 01888.

Since the late 19th century, regulated utility companies have helped foster American economic growth with abundant, relatively cheap electricity. However, because the industry is starving for new capital, those happy days may soon be over.

Until the early 1970s, the low costs of capital and fuel allowed the industry to expand rapidly, holding down expenses through economies of scale. But Navarro, a Harvard researcher, writes that the oil price hikes and inflation of the 1970s reversed the equation. Expansion today only boosts costs. And state regulators, under political pressure to keep consumers' monthly utility bills down, are reluctant to grant compensatory rate increases. The result: depressed bond ratings and lower stock values, raising the cost of capital still further.

During the 1980s, the demand for electricity is expected to grow by three percent annually; new coal or nuclear plants will be needed—at a cost of some \$300 billion. It will take another \$50 billion to replace or convert uneconomical oil- and gas-fired plants. But if capital costs for investment remain high, output will probably grow by only one to two percent annually during the decade. As overall supplies tighten, selective "brownouts" are likely, particularly in the Pacific Northwest and Colorado. The effects could include factory relocations abroad, slower adoption of new energy-intensive technologies (e.g., word-processing equipment), and a more sluggish economy.

Consumers will pay a "petroleum penalty" for the industry's troubles. More than half the new coal- and nuclear-fueled power plants scheduled for completion by 1988 have been delayed by an average of 20 months, mostly because of the capital squeeze; and two-thirds of "coal-convertible" plants still use oil. (In the Northeast alone, a \$1.3 billion conversion investment could save consumers \$5.2 billion.)

Navarro urges state regulators and Washington to come to the rescue. Utilities must be allowed a fair return on investment. And a speedup of federal plant-licensing procedures will be necessary to insure adequate electricity for the future.