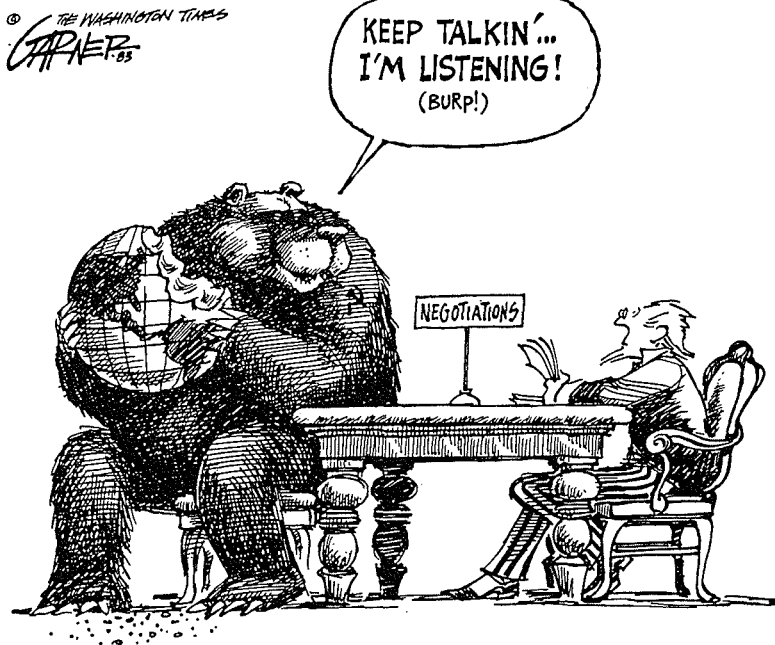


FOREIGN POLICY & DEFENSE



American advocates of "linkage" oppose arms control talks with Moscow until the Soviets curb their expansionist policies.

Barnet writes: "Until Soviet leaders feel secure enough to permit greater diversity in Eastern Europe . . . and even within the Soviet Union itself, Soviet society will remain militarized to a degree that is incompatible with a normal relationship with the United States."

"Around the world," Barnet concludes, "even in Soviet-dominated Eastern Europe, the avoidance of nuclear war has become a popular political issue that can no longer be easily manipulated by governments." This ground swell of public opinion, along with the high cost of the arms race, opens the door to a "historic" transformation of U.S.-Soviet relations.

Creating Two New Superpowers

"Europe's Nuclear Superpowers" by George M. Seignious II and Jonathan Paul Yates, in *Foreign Policy* (Summer 1984), P.O. Box 984, Farmingdale, N.Y. 11737.

Talk of the nuclear "superpowers" brings just two countries to mind, the United States and the Soviet Union. But they may be joined by two more nations during the 1990s.

According to Seignious and Yates, retired Army general and U.S. Senate

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aide, respectively, arms build-ups now planned by Great Britain and France could make them nuclear powers of the first rank—and pose nearly as much of a challenge to Washington as to Moscow.

Both of these U.S. allies already maintain small nuclear forces: a combined total of 300 warheads in land- and submarine-based missiles. Moscow's installation of new SS-20 missiles targeted on Western Europe and European doubts about Washington's commitment to defend the North Atlantic Treaty Organization (NATO) at all costs prompted the Anglo-French plans. During the next 20 years, Great Britain plans to spend \$20 billion and France \$30 billion to modernize and expand these forces to a total 1,200 warheads.

Yet, the authors argue, the dynamics of the arms race assure "that Soviet strategic concerns will soon become American strategic concerns." The twin build-ups will mean more missiles beyond Washington's control, will complicate NATO efforts to unify military commands, and will probably trigger another Soviet arms-buying spree. Paris and London, meanwhile, are sure to skimp on all-important conventional forces to help finance their new nuclear arms. France already plans to cut its total troop strength (290,000) by 35,000 over the next five years.

France and Great Britain both have been "standoffish" about participating in future Soviet-American arms control talks, say the authors. Washington should encourage them to participate. The *prospect* of large European nuclear arsenals would be a valuable bargaining chip at East-West arms control talks; actually creating such arsenals could cause as many problems as it might solve.

ECONOMICS, LABOR, & BUSINESS

Examining U.S. Trade Deficits

"The American Trade Deficit in Perspective" by Arthur F. Burns, in *Foreign Affairs* (Summer 1984), P.O. Box 2515, Boulder, Colo. 80321.

America's foreign trade deficit will probably reach a record \$100 billion this year. It is a problem worth worrying about, writes Burns, former chairman of the Federal Reserve Board and now U.S. ambassador to West Germany, but not for the reasons most analysts cite.

The United States enjoyed foreign-trade surpluses for most of the years after World War II, until rising oil prices and stiffer overseas competition began during the early 1970s. By the end of the decade, annual trade deficits of about \$30 billion were routine. Such figures, however, measure only trade in goods. Offsetting surpluses from other branches of international commerce, notably services (e.g., engineering, banking) and income from overseas investments, kept total U.S. accounts in the black. No longer. This year, the U.S. "current account" will probably be \$70 to \$80 billion in deficit.